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THE POWER OF PARITY: HOW ADVANCING WOMEN'S EQUALITY CAN ADD $12 TRILLION TO GLOBAL GROWTH

SEPTEMBER 2015

HIGHLIGHTS

Labor-force participation, hours worked, and productivity

Equality in society

Scope for broader action by the private sector

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THE POWER OF PARITY:
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SEPTEMBER 2015

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PREFACE

Gender inequality is a pressing global issue with huge ramifications not just for the lives and livelihoods of girls and women but, more generally, for human development, labor markets, productivity, GDP growth, and inequality. The challenge of inclusive growth is a theme that MGI has explored in many reports, and gender inequality is an important part of that picture.

In this report, MGI undertakes what we believe may be the most comprehensive attempt to date to estimate the size of the economic potential from achieving gender parity and to map gender inequality. Using 15 indicators of gender equality in 95 countries, we have identified ten "impact zones"—concentrations of gender inequality that account for more than three-quarters of the women in the world affected by the gender gap—that we hope will help prioritize action. In addition, MGI has developed a Gender Parity Score, or GPS, that gives a view of what will help to close the gender gap. Our hope is that this analysis can point the way toward effective interventions and lead to new regional and global coalitions of policy makers and private-sector leaders. This report builds on McKinsey & Company's long-held interest in women's issues in economics and business, notably our Women Matter research and participation in the UN Women Private Sector Leadership Advisory Council.

This research was led by Jonathan Woetzel, a director of McKinsey and MGI based in Shanghai; Anu Madgavkar, an MGI senior fellow based in Mumbai; Kweilin Ellingrud, a partner based in Minneapolis; Eric Labaye, a director of McKinsey and MGI chairman based in Paris; Sandrine Devillard, a McKinsey director in Paris and author of McKinsey's Women Matter research series; Eric Kutcher, a director in McKinsey's Silicon Valley office; and Richard Dobbs and James Manyika, directors of McKinsey and MGI based in London and San Francisco, respectively. We thank McKinsey managing director Dominic Barton for his thoughtful guidance throughout this research effort. The team was led by Mekala Krishnan, a consultant based in Stamford, and comprised Maria Arellano (alumnus), Jaroslaw Bronowicki, Julia Hartnett, Morgan Hawley Ford, Shumi Jain, Shirley Ma, Giacomo Meille (alumnus), and Juliana Pflugfelder. We would like to acknowledge the help and input of colleagues closely involved in this work, namely Rishi Arora, Gene Cargo, Shishir Gupta, Andres Ramirez Gutierrez, Vritika Jain, Xiujun Lillian Li, Jeongmin Seong, Vivien Singer, Soyoko Umeno, Roelof van Schalkwyk, and Iris Zhang.

We are grateful to the academic advisers who helped shape this research and provided challenge and insights and guidance: Richard N. Cooper, Maurits C. Boas Professor of International Economics at Harvard University, and Laura Tyson, professor of business administration and economics and director of the Institute for Business and Social Impact, Haas Business and Public Policy Group, University of California at Berkeley.

Special thanks go to three institutions that have made significant contributions to our understanding. We are grateful to the International Monetary Fund and, in particular, Rakesh Mohan, executive director, and Kalpana Kochhar, deputy director, Asia and Pacific Department; the International Finance Corporation and, in particular, Henriette Kolb, head of the Gender Secretariat; and the International Center for Research on Women, notably Sarah Degnan Kambou, president.

There are many other individuals who contributed enormously to this work. We would like to thank Sajeda Amin, Population Council; Kim Azzarelli, co-founder, Seneca Women, and chair and co-founder, Cornell Avon Center for Women and Justice; Julie Ballington, policy adviser on political participation, UN Women; Joanna Barsh, former McKinsey director; Lina Benete, education policy specialist in Asia, UNESCO; Iris Bohnet, professor of public policy and director of the Women and Public Policy Program at the Harvard Kennedy School; Annabel Erulkar, director for Ethiopia, Population Council; Katherine Fritz, director, Global Health, International Center for Research on Women; Helene Gayle, CEO, McKinsey Social Initiatives and former president and CEO, CARE USA; Harriet Green, former CEO, Thomas Cook; Christophe Z. Guilmoto, director of demographic research, French Research Institute for Development; Katja Iversen, CEO, Women Deliver; Renée Joslyn, director, Girls and Women Integration at the Clinton Global Initiative; Jeni Klugman, senior adviser at the World Bank and fellow, Harvard Kennedy School's Women and Public Policy Program; Jacquie Labatt, international photojournalist; Daniela Ligiero, vice president, Girls and Women Strategy, UN Foundation; Jessica Malter, strategic communications director, Women Deliver; Patience Marime-Ball, managing partner and CEO,

Mara Ad-Venture Investments; Jennifer McCleary-Sills, director, Gender Violence and Rights, International Center for Research on Women; Terri McCullough, director, No Ceilings, Clinton Foundation; Phumzile Mlambo-Ngcuka, under-secretary-general and executive director, UN Women; Stella Mukasa, regional director, Africa, International Center for Research on Women; Alyse Nelson, president and CEO, Vital Voices Global Partnership; Elizabeth Nyamayaro, senior advisor to the under-secretary-general of UN Women and head of HeforShe Campaign; Rohini Pande, consultant and team leader, World Bank; Saiqa Panjsheri, associate, child health, Abt Associates; Susan Papp, director of policy and advocacy, Women Deliver; Julien Pellaux, strategic planning and operations adviser, UN Women; Suzanne Petroni, senior director, Gender, Population, and Development, International Center for Research on Women; Alison Rowe, speechwriter and communications adviser, UN Women; Urvashi Sahni, nonresident fellow, Global Economy and Development, Center for Universal Education at the Brookings Institution, and founder and chief executive, Study Hall Educational Foundation; Pattie Sellers, assistant managing editor, *Fortune* magazine; Caroline Simard, research director, Clayman Institute for Gender Research, Stanford University; Rachel Tulchin, deputy director, No Ceilings, Clinton Foundation; Sher Verick, research fellow and senior employment specialist in the International Labour Organisation's Decent Work Team for South Asia and New Delhi; Ravi Verma, regional director, Asia, International Center for Research on Women; and Melanne Verveer, director, Georgetown Institute for Women, Peace and Security and co-founder, Seneca Women.

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We are grateful for all of the input we have received, but the final report is ours and any errors are our own. This report contributes to MGI's mission to help business and policy leaders understand the forces transforming the global economy, identify strategic locations, and prepare for the next wave of long-term growth. As with all MGI research, this work is independent and has not been commissioned or sponsored in any way by any business, government, or other institution, although it has benefited from the input and collaborations that we have mentioned. We welcome your emailed comments on the research at **MGI@mckinsey.com**.

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CONTENTS

HIGHLIGHTS

Unpaid work

Girls' education

Women and
financial services

In brief

Executive summary Page 1

1. The economic case for change Page 25

2. Three prerequisites for equality in work Page 41

3. Mapping the gaps Page 59

4. Agenda for action Page 81

Appendix Page 101

Bibliography Page 147

IN BRIEF

THE POWER OF GLOBAL GENDER PARITY

Narrowing the global gender gap in work would not only be equitable in the broadest sense but could double the contribution of women to global GDP growth between 2014 and 2025. Delivering that impact, however, will require tackling gender equality in society.

- MGI has mapped 15 gender equality indicators for 95 countries and finds that 40 of them have high or extremely high levels of gender inequality on at least half of the indicators. The indicators fall into four categories: equality in work, essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy.
- We consider a "full-potential" scenario in which women participate in the economy identically to men, and find that it would add up to $28 trillion, or 26 percent, to annual global GDP in 2025 compared with a business-as-usual scenario. This impact is roughly equivalent to the size of the combined US and Chinese economies today. We also analyzed an alternative "best-in-region" scenario in which all countries match the rate of improvement of the best-performing country in their region. This would add as much as $12 trillion in annual 2025 GDP, equivalent in size to the current GDP of Japan, Germany, and the United Kingdom combined, or twice the likely growth in global GDP contributed by female workers between 2014 and 2025 in a business-as-usual scenario.
- Both advanced and developing countries stand to gain. In 46 of the 95 countries analyzed, the best-in-region outcome could increase annual GDP in 2025 by more than 10 percent over the business-as-usual case, with the highest relative boost in India and Latin America.
- MGI's new Gender Parity Score, or GPS, measures the distance each country has traveled toward gender parity, which is set at 1.00. The regional GPS is lowest in South Asia (excluding India) at 0.44 and highest in North America and Oceania at 0.74. Using the GPS, MGI has established a strong link between gender equality in society, attitudes and beliefs about the role of women, and gender equality in work. The latter is not achievable without the former two elements. We found virtually no countries with high gender equality in society but low gender equality in work. Economic development enables countries to close gender gaps, but progress in four areas in particular—education level, financial and digital inclusion, legal protection, and unpaid care work—could help accelerate progress.
- MGI has identified ten "impact zones" (issue-region combinations) where effective action would move more than 75 percent of women affected by gender inequality globally closer to parity. The global impact zones are blocked economic potential, time spent in unpaid care work, fewer legal rights, political underrepresentation, and violence against women, globally pervasive issues. The regional impact zones are low labor-force participation in quality jobs, low maternal and reproductive health, unequal education levels, financial and digital exclusion, and girl-child vulnerability, concentrated in certain regions of the world.
- Six types of intervention are necessary to bridge the gender gap: financial incentives and support; technology and infrastructure; the creation of economic opportunity; capability building; advocacy and shaping attitudes; and laws, policies, and regulations. We identify some 75 potential interventions that could be evaluated and tailored to suit the social and economic context of each impact zone and country.
- Tackling gender inequality will require change within businesses as well as new coalitions. The private sector will need to play a more active role in concert with governments and non-governmental organizations—and companies could benefit both directly and indirectly by taking action.

The economic case for gender parity

$28 trillion

of **additional annual GDP in 2025** in the full-potential scenario of bridging the gender gap...

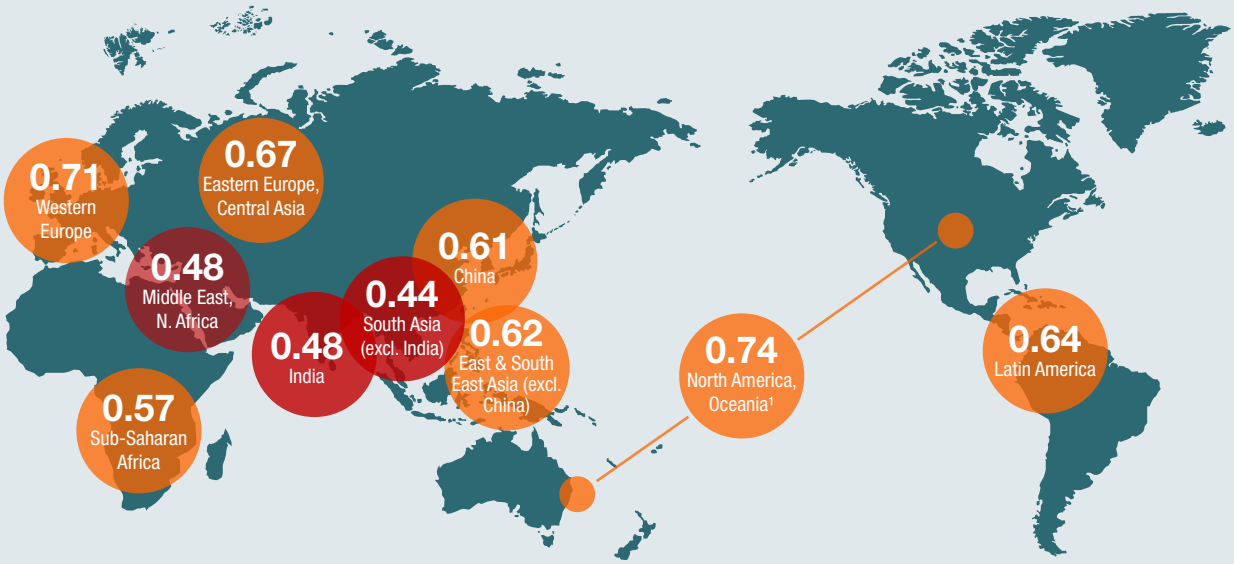
… equivalent to the **combined US and China economies today.**

$12 trillion

could be added in 2025 if all countries matched their best-in-region country in progress toward gender parity.

*Equal to **2x** the likely contribution of women to global GDP growth in the business-as-usual scenario*

McKinsey Global Institute's Gender Parity Score points to where 95 countries stand on gender parity.



These countries, grouped into 10 regions, are home to ***93% of the world's female population.***

Gender inequality (1.00 = gender parity)
High Extremely high

We linked economic potential to *15 outcome-based indicators in 4 categories…*

- Equality in work
- Essential services and enablers of economic opportunity
- Legal protection and political voice
- Physical security and autonomy

*…and identified the **largest concentrations of gender gaps** around the world to prioritize for action.*

10 impact zones, covering **>75%** of women affected by gender inequality globally

Our research for the first time links gender equality in society with gender equality in work. The latter is not possible without the former.

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EXECUTIVE SUMMARY

Gender inequality is not only a pressing moral and social issue but also a critical economic challenge. If women—who account for half the world's population—do not achieve their full economic potential, the global economy will suffer.

While all types of inequality have economic consequences, in this research, we focus on the economic implications of lack of parity between men and women. Even after decades of progress toward making women equal partners with men in the economy and society, the gap between them remains large. We acknowledge that gender parity in economic outcomes (such as participation in the workforce or presence in leadership positions) is not necessarily a normative ideal as it involves human beings making personal choices about the lives they lead; we also recognize that men can be disadvantaged relative to women in some instances. However, we believe that the world, including the private sector, would benefit by focusing on the large economic opportunity of improving parity between men and women.

$12T TO $28T
increase in GDP in 2025 through bridging the gender gap

In this report, MGI explores the economic potential available if the global gender gap were to be closed. The research finds that, in a full-potential scenario in which women play an identical role in labor markets to men's, as much as $28 trillion, or 26 percent, could be added to global annual GDP in 2025. This estimate is double that of other studies' estimations, reflecting the fact that MGI has taken a more comprehensive view of gender inequality in work.

Attaining parity in the world of work is not realistic in the short term. Doing so would imply not only the reduction of formidable barriers and change in social attitudes but also personal choices about how to allocate time between domestic and market-based work. However, if all countries were to match the progress toward gender parity of the best performer in their region, it could produce a boost to annual global GDP of as much as $12 trillion in 2025. This would double the GDP growth contributed by female workers in the business-as-usual-scenario.

40 OUT OF 95
countries have high or extremely high inequality on half or more of 15 indicators

Our analysis maps 15 gender equality indicators for 95 countries that are home to 93 percent of the world's female population and generate 97 percent of global GDP. It finds that 40 of the 95 countries have extremely high or high levels of inequality on half or more of the 15 indicators. These indicators cover not only gender equality in work but also physical, social, political, and legal gender equality. We believe that this is the most comprehensive mapping of gender equality to date. And, for the first time, we have established a clear link between gender equality in society and in work through a new MGI tool called the Gender Parity Score, or GPS, which gives us a view of the distance that individual countries have traveled toward gender parity. Realizing the economic prize of gender parity requires the world to address fundamental drivers of the gap in work equality, such as education, health, connectivity, security, and the role of women in unpaid work.

To help policy makers, business leaders, and other stakeholders prioritize action in a global effort to close the gender gap, MGI has also identified ten impact zones of gender inequality. Across the impact zones, this report offers a six-part framework of types of intervention that are most likely to deliver change, and it discusses some of the factors that have made gender initiatives around the world successful, as well as the private sector's opportunity to take the lead in defining initiatives.

FULLY CLOSING GENDER GAPS IN WORK WOULD ADD AS MUCH AS $28 TRILLION TO ANNUAL GDP IN 2025, WHILE ACHIEVING "BEST-IN-REGION" RATES OF PROGRESS WOULD ADD $12 TRILLION

Women in the 95 countries analyzed in this research generate 37 percent of global GDP today despite accounting for 50 percent of the global working-age population. This global average contribution to GDP masks large variations among regions. The share of regional output generated by women is only 17 percent in India, 18 percent in the Middle East and North Africa (MENA), and 24 percent in South Asia (excluding India). In North America and Oceania, China, and Eastern Europe and Central Asia, the share is 40 to 41 percent.

Women are half the world's working-age population but generate only 37% of GDP.

The lower representation of women in paid work is in contrast to their higher representation in unpaid work. Seventy-five percent of the world's total unpaid care is undertaken by women, including the vital tasks that keep households functioning such as child care, caring for the elderly, cooking, and cleaning. However, this contribution is not counted in traditional measures of GDP. Using conservative assumptions, we estimate that unpaid work being undertaken by women today amounts to as much as $10 trillion of output per year, roughly equivalent to 13 percent of global GDP.

75%
of global unpaid work done by women

MGI's full-potential scenario assumes that women participate in the world of work to an identical extent as men—erasing the current gaps in labor-force participation rates, hours worked, and representation within each sector (which affects their productivity). It represents the maximum economic impact that could be achieved from gender equality in labor markets. We find that the full-potential scenario could add as much as $28 trillion to annual GDP in 2025, raising global economic output by 26 percent over a business-as-usual scenario (Exhibit E1). This potential impact is roughly equivalent to the combined size of the economies of the United States and China today.

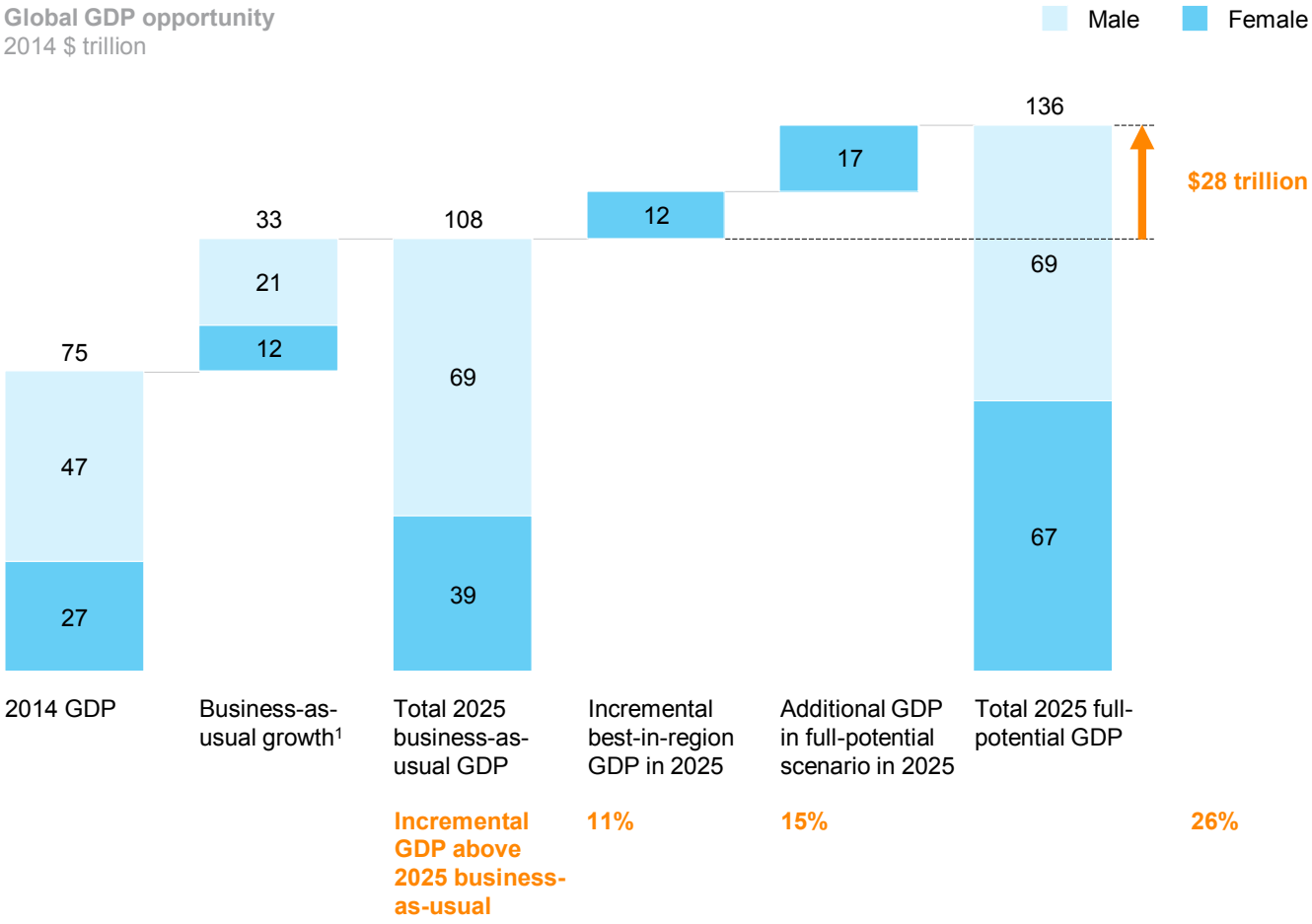
The full-potential scenario sees the global average participation rate by women of prime working age rise from its current level of 64 percent to 95 percent. However, this is unlikely to materialize within a decade; the barriers hindering women from participating on a par with men are unlikely to be fully addressed within that time frame, and, in any case, participation is ultimately a matter of personal choice. For these reasons, we also consider another scenario.

MGI also assesses the size of the opportunity if each country were to bridge its gender gaps at the same rate as the fastest-improving country in its regional peer group. Countries in Western Europe, for instance, would close the gap in labor participation between men and women of prime working age by 1.5 percentage points a year, in line with the experience of Spain between 2003 and 2013. Countries in Latin America would do so at Chile's annual rate of 1.9 percentage points, while countries in East and Southeast Asia would do so at Singapore's rate of 1.1 percentage points a year. At these rates of progress, global average labor-force participation rates for this age cohort would reach 74 percent by 2025, or about ten percentage points higher than at present.

In this best-in-region scenario, global GDP could increase by as much as $12 trillion annually in 2025, realizing some 42 percent of the opportunity outlined in the full-potential scenario. This is equivalent to the current GDP of Japan, Germany, and the United Kingdom combined, or 1.0 percent incremental GDP growth per year relative to business-as-usual forecasts. This $12 trillion of incremental GDP represents a doubling of the output likely to be contributed by female workers globally between 2014 and 2025 in the business-as-usual scenario.

Exhibit E1

Closing the global gender gap could deliver $12 trillion to $28 trillion of additional GDP in 2025



1 Represents difference between annual GDP in 2014 and in 2025 for the business-as-usual scenario.
NOTE: Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

MGI's estimate of the maximum gender parity prize in the full-potential scenario is twice as large as the average of several other estimates.[1] Many of these studies focus exclusively on labor-force participation, but we assess the potential impact from closing the gap on two other dimensions as well.

First, women do not participate in the labor force in the same numbers as men; increasing the labor-force participation of women accounts for 54 percent of potential incremental GDP. Second, women work fewer hours than men (in the labor force) because many are in part-time jobs; this could be driven partly by choice and partly by their inability to do full-time work given family- and home-based responsibilities. Closing this gap would generate 23 percent of the GDP opportunity. Third, women are disproportionately represented in lower-productivity sectors such as agriculture and insufficiently represented in higher-productivity sectors such as business services. Shifting women into work in higher-productivity sectors on a par with the employment pattern of men would contribute another 23 percent of the total opportunity.[2]

The importance of these three drivers varies among regions. In India and the MENA region, boosting female labor-force participation would contribute 90 and 85 percent, respectively, of the total additional economic opportunity. In sub-Saharan Africa and in Eastern Europe and Central Asia, where women already participate in large numbers, about 40 to 45 percent of the potential increase in output could come from shifting women into higher-productivity sectors. In Western Europe, about 50 percent of the full-potential impact would come from closing the gap between men and women in number of hours worked.

Both advanced and developing economies would stand to gain. The full-potential scenario would increase annual GDP in 2025 by more than 20 percent over a business-as-usual case for 74 of the 95 countries analyzed. Our analysis suggests that the highest potential boost could be in India, the rest of South Asia, and MENA at 60 percent, 48 percent, and 47 percent, respectively (Exhibit E2). Even advanced economies that have already made significant progress in reducing gender inequality could achieve a significant economic boost from closing the gender gap. Western Europe, for instance, could increase annual GDP by 23 percent, and North America and Oceania by 19 percent.

In the best-in-region scenario, all regions could achieve at least 8 percent in incremental GDP over a business-for-usual case.[3] In 46 of the 95 countries analyzed, the impact could be more than 10 percent of annual GDP in 2025 compared with business as usual. The biggest relative scope to add GDP is in India at 16 percent, followed by Latin America with 14 percent, and China and sub-Saharan Africa, each with 12 percent. North America and Oceania together have the largest absolute GDP potential, at $3.1 trillion in 2025. China

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1 Most other research has examined the impact of bridging the gap in labor-force participation between men and women and found it could boost GDP by between 5 percent and 20 percent for most countries. Some research has also looked at other dimensions, including, for instance, achieving gender parity in entrepreneurship positions and in education. We believe our effort is the first study to look comprehensively across the three dimensions of labor-force participation, hours worked, and the sector mix of employment of men and women, and to do so across a sample of 95 countries. See, for example, Kevin Daly, *Gender inequality, growth, and global ageing*, Goldman Sachs Global Economics paper number 154, April 2007; David Cuberes and Marc Teignier, *Gender gaps in the labor market and aggregate productivity*, Sheffield Economic Research paper number 2012017, June 2012; O. Thévenon et al., *Effects of reducing gender gaps in education and labour force participation on economic growth in the OECD*, OECD Social, Employment and Migration working paper number 138, December 2012; and David Dollar and Roberta Gatti, *Gender inequality, income and growth: Are good times good for women?* World Bank Policy Research Report on Gender and Development working paper number 1, May 1999.

2 Our approach models the labor supply to help establish a GDP aspiration from increased participation by women. We do not take into account demand-side factors that could influence the ability to create jobs to absorb additional female workers.

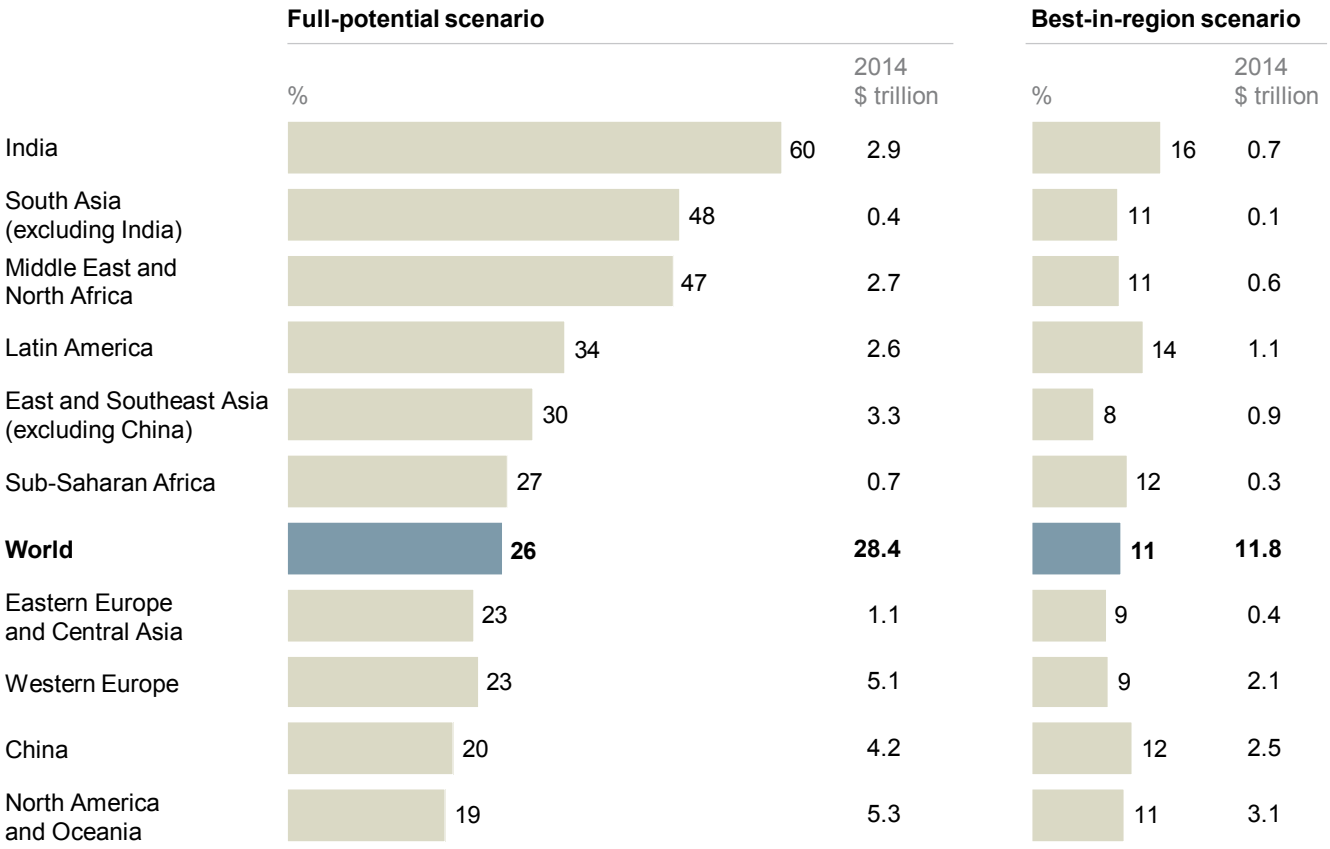
3 Countries were grouped by region for the most part. India and China were considered as separate regions because of the size of their populations. We grouped North America and Oceania together given their relatively similar performance on gender equality indicators.

comes in next at $2.5 trillion, and Western Europe follows with $2.1 trillion of potential GDP increase in 2025.

Exhibit E2

All regions have a substantial incremental GDP opportunity from bridging the gender gap

Global GDP opportunity, 2025
Incremental 2025 GDP to 2025 business-as-usual scenario


Full-potential scenario
Best-in-region scenario
% 2014 $ trillion
% 2014 $ trillion
India 60 2.9 16 0.7
South Asia (excluding India) 48 0.4 11 0.1
Middle East and North Africa 47 2.7 11 0.6
Latin America 34 2.6 14 1.1
East and Southeast Asia (excluding China) 30 3.3 8 0.9
Sub-Saharan Africa 27 0.7 12 0.3
World 26 28.4 11 11.8
Eastern Europe and Central Asia 23 1.1 9 0.4
Western Europe 23 5.1 9 2.1
China 20 4.2 12 2.5
North America and Oceania 19 5.3 11 3.1

NOTE: Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

240M
workers potentially added through higher female participation

These estimates assume that there is no decline in male participation in response to the rising number of women in the workforce. Between 1980 and 2010, across 60 countries, the rate of labor-force participation for women of prime working age rose by 19.7 percentage points (based on a simple average), while the corresponding male labor-force participation rate fell by 1.5 percentage points. The gains from higher female participation were negated to a very small extent by men withdrawing from the workforce. Assuming the male participation rate does not shrink, the best-in-region scenario would increase the world's employed labor force by some 240 million workers in 2025 over the business-as-usual scenario.

The entry of more women into the labor force would be of significant benefit to countries with aging populations that face pressure on their pools of labor and therefore, potentially, on their GDP growth. In Russia, for instance, our analysis indicates that the labor force is projected to shrink from 76 million in 2014 to 71 million in 2025, primarily due to aging. The best-in-region scenario would produce a milder decline to 74 million. In Japan, we expect the labor force to shrink to 63 million by 2025 from 65 million in 2014; in a best-in-region scenario, the labor force would be 64 million.

Beyond narrowing the gap in labor-force participation, the best-in-region scenario assumes that the gap between average female and male labor productivity narrows from 13 percent to 3 percent within a decade as more women shift out of agriculture and into higher productivity industry and service sector jobs. In this scenario, the share of global employment in agriculture would shrink by a further 2.0 percentage points over the 5.6 percentage point decline likely in the business-as-usual scenario, with larger shifts in sub-Saharan Africa and South Asia (excluding India). To maintain the global share of agricultural GDP at about 4.5 percent in 2025, as in the business-as-usual scenario, agricultural productivity would need to rise. Globally, we estimate that agricultural productivity growth would need to increase from 4.4 percent per year in the business-as-usual scenario to 4.9 percent in the best-in-region scenario.

Achieving this scenario would require investment—including productivity-boosting investment in an agricultural sector shedding workers, and job-creating investment in the industrial and services sectors that are absorbing additional workers. For example, MGI estimates that the incremental investment required in 2025 could be $3 trillion, or roughly 11 percent higher than in the business-as-usual scenario.[4] Governments would also need to address barriers inhibiting productive job creation and human capital formation—not just for women, but for their overall economies.[5]

THREE ELEMENTS—GENDER EQUALITY IN SOCIETY, ECONOMIC DEVELOPMENT, AND A SHIFT IN ATTITUDES—ARE NEEDED TO ACHIEVE THE FULL POTENTIAL OF WOMEN IN THE WORKFORCE

There is a compelling—and potentially achievable—case for the world to bridge gender gaps in work equality. Three elements are essential for achieving the full potential of gender parity: gender equality in society, economic development, and a shift in attitudes.

Gender inequality at work is mirrored by gender inequality in society

The economic size of the gender gap is only part of a larger divide that affects society. Therefore, any analysis of gender inequality and how to tackle it needs to include both economic and social aspects. With this in mind, MGI's gender equality framework has 15 indicators on four dimensions (Exhibit E3).[6]

1M+
girls not born each year due to sex-selective abortion

The first dimension is gender equality in work, which includes the ability of women to engage in paid work and to share unpaid work more equitably with men, to have the skills and opportunity to perform higher-productivity jobs, and to occupy leading positions in the economy. This dimension is driven by the choices men and women make about the lives they lead and the work they do. The next three dimensions—essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy—relate to fundamentals of social equality. They are necessary to ensure that women (and men) have the opportunity to build human capital and the resources and ability to live a life of their own making. We refer to these three dimensions collectively as gender equality in society, a term that embraces issues that are important from a moral or humanitarian standpoint and affect many women—for instance, the more than one

[4] Calculated based on historical trend analysis of the relationship between investment and GDP for each region, using data from IHS.

[5] Several MGI country studies have examined the question of what measures can stimulate investment and job creation for inclusive growth; see MGI's reports on Africa, Brazil, Europe, India, and Nigeria, all downloadable for free at **www.mckinsey.com/mgi**. Also see *Global growth: Can productivity save the day in an aging world?* McKinsey Global Institute, January 2015.

[6] This is the most comprehensive mapping of gender across broad dimensions and a broad range of countries that we are aware of. For instance, the OECD's Social Institutions and Gender Index focuses primarily on social institutions such as discriminatory family codes, restricted physical integrity, and rights to inheritance. The World Economic Forum's Global Gender Gap Index looks at economic and political outcomes, and the development of human capital through education and health, but not at legal, financial, and digital enablers of economic opportunity or at violence. The European Union's Gender Equality Index covers only the countries of the EU.

million girls who are not born each year due to sex-selective abortion, and the two-thirds of the world's illiterate adults who are women. Gender equality in society is intrinsically a worthwhile goal, but it is also vital for achieving gender equality in work.

Exhibit E3

MGI uses a holistic framework of 15 outcome-based indicators to assess global gender equality

		Gender equality indicators	
Gender equality In work	**Gender equality in work** Women and men are equal players in the labor markets	**Labor-force participation rate**	Female-to-male ratio of labor-force participation rate
		Professional and technical jobs	Female-to-male ratio of representation in professional and technical jobs
		Perceived wage gap for similar work	Female-to-male ratio of wages for similar work
		Leadership positions	Female-to-male ratio of representation in leadership positions
		Unpaid care work	Male-to-female ratio of time spent on unpaid care work
Gender equality in society	**Essential services and enablers of economic opportunity** Women and men have equal opportunity to build human capital and progress	**Unmet need for family planning**	Percent of married or in-union women aged 15–49 who want to stop or delay childbearing but are not using contraception
		Maternal mortality	Maternal deaths per 100,000 live births
		Education level	Female-to-male composite ratio of adult literacy rate, secondary education enrollment rate, and tertiary education enrollment rate[1]
		Financial inclusion	Female-to-male composite ratio of the rate of account holders at a financial institution, rate of borrowing, and mobile banking rates[1]
		Digital inclusion	Female-to-male composite ratio of the rate of Internet and mobile users[2]
	Legal protection and political voice Women and men have equal right to self-determination	**Legal protection**	Composite index of the extent of protection to women by different legal provisions (e.g., right to inherit, access to jobs)[3]
		Political representation	Female-to-male composite ratio of representation in parliamentary and ministerial positions[2]
	Physical security and autonomy Women have a right to be safe from bodily harm	**Sex ratio at birth**	Male-to-female ratio of births
		Child marriage	Percent of girls and young women aged 15–19 who are married
		Violence against women	Percent of women who have experienced physical and/or sexual violence from an intimate partner at some time in their lives

1 Composite indicator of three indicators.
2 Composite indicator of two indicators.
3 Composite indicator of 11 indicators.

SOURCE: McKinsey Global Institute analysis

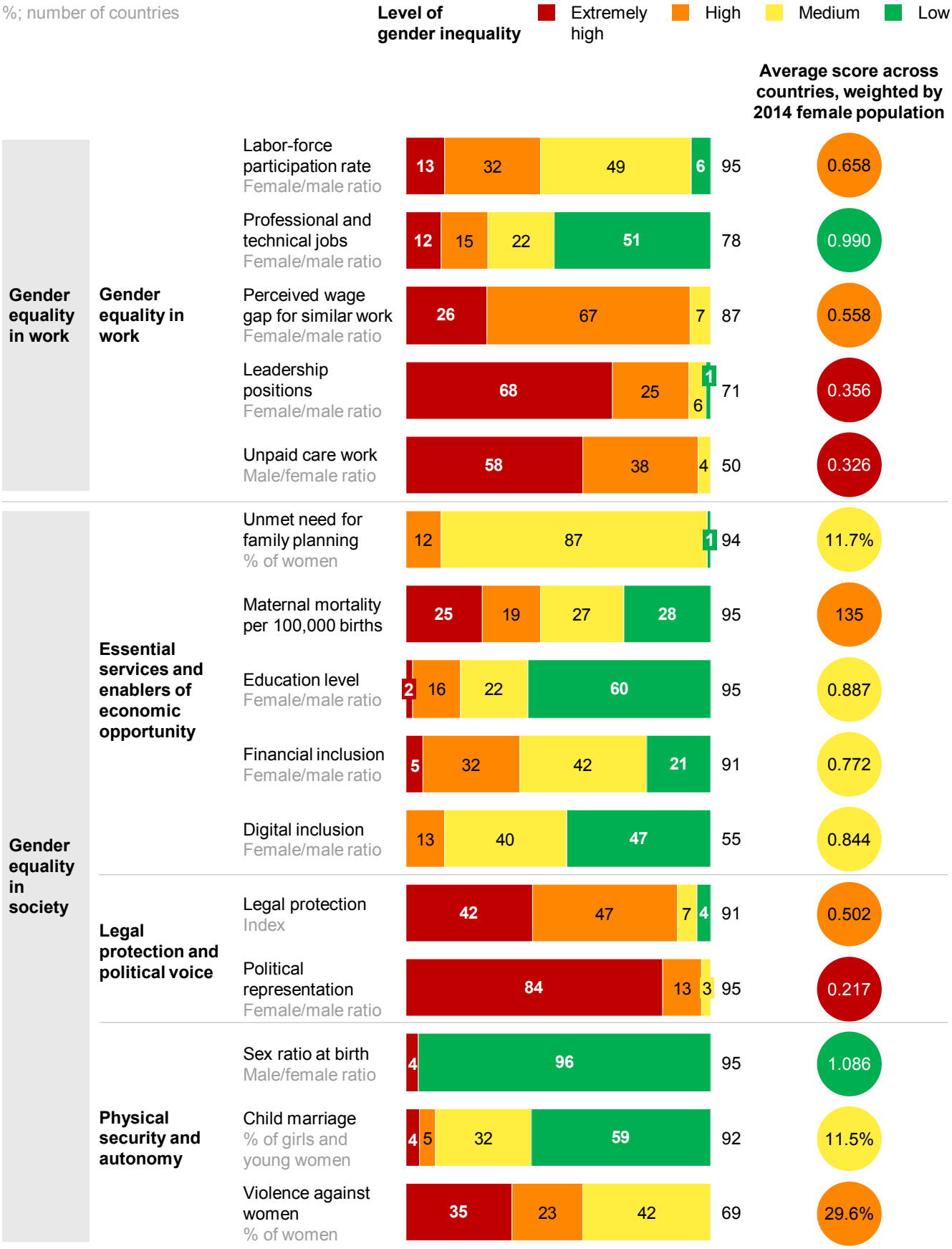
Despite progress in many parts of the world, gaps in both gender equality in society and gender equality in work remain significant and multidimensional. Our analysis finds that 40 of the 95 countries analyzed have high or extremely high levels of inequality on half or more of the 15 indicators for which data were available. Gender inequality remains extremely high or high in several areas, namely almost all aspects of work, maternal mortality, issues of legal protection and political voice, and violence against women (Exhibit E4).[7]

[7] For most indicators, low inequality is defined as being within 5 percent of parity, medium between 5 percent and 25 percent, high inequality between 25 percent and 50 percent, and extremely high inequality as greater than 50 percent from parity. For physical security and autonomy indicators, we defined extremely high inequality as greater than 33 percent distance from no prevalence (of child marriage or violence against women). For sex ratio at birth and maternal mortality, given the different range of values for these two indicators, slightly different thresholds were used.

Exhibit E4

More than half of the 15 indicators point to extremely high or high levels of inequality

%; number of countries



NOTE: Numbers may not sum due to rounding.

SOURCE: McKinsey Global Institute analysis

- **Equality in work.** Gender gaps in the world of work remain high or extremely high on four out of five indicators. Women make up 40 percent of the global labor force despite a 50 percent share of the working-age population and a 46 to 47 percent share of the labor force in regions such as Western Europe, North America and Oceania, and Eastern Europe and Central Asia. There are extremely high or high gaps in 21 of the 78 countries analyzed on the share of women vs. men in professional and technical jobs. Perceived wage disparity for similar work remains a significant issue, although this gender gap is difficult to prove conclusively. World Economic Forum surveys of business leaders find a widespread perception that women earn less than men for equivalent work in all 87 countries in our data set for which data are available. International Labour Organisation data find that men are almost three times as likely as women to hold leadership positions as legislators, senior officials, and managers. Women spend three times as many hours in unpaid care work as men; in India and Pakistan, women spend nearly ten times as many hours as men in such activity.

- **Essential services and enablers of economic opportunity.** We assess this dimension in terms of women's access to health care (represented by reproductive and maternal health), education, financial services, and digital connectivity. Unmet need for family planning is a medium inequality issue in 82 of the 94 countries analyzed. 197 million women globally who want to stop or delay having children are nevertheless not using contraception. Maternal health has improved in many parts of the world, but maternal mortality is a source of extremely high or high inequality in 42 countries in our set of 95. The gender gap in education has narrowed in many regions, but women still attain less than 75 percent of the educational levels of men in 17 of the 95 countries studied. Globally, some 195 million fewer adult women than men are literate. The world's women still have only 77 percent of the access that men have to financial services, on average, and only 84 percent of the access of men to the Internet and mobile phones.

22
women in ministerial and parliamentary roles for every 100 men

- **Legal protection and political voice.** Legal protection for women has improved, but there is further to go. Our analysis finds that 38 out of 91 countries for which we have data have extremely high inequality on this indicator, a blended measure of 11 forms of legal protection for women, spanning laws to protect individuals against violence, ensure parity in inheriting property and accessing institutions, and the right to find work and be fairly compensated. Globally, political participation by women remains very low, with the number of women in ministerial and parliamentary roles only 22 percent that of men. Even in developed economies—and democracies—such as the United Kingdom and the United States, the share of women in such positions is still only 24 percent and 34 percent, respectively. One cross-country study found that greater representation of women in parliaments led to higher expenditure on education as a share of GDP.[8] In India, women's leadership in local politics has been found to reduce corruption.[9]

30%
of women have been victims of violence from an intimate partner

- **Physical security and autonomy.** We assess this dimension in terms of three indicators: missing women arising from the preference for a boy child, child marriage, and violence against women. The sex ratio at birth is a source of low inequality globally, but it is a severe issue in a few countries where, by our estimate, about 1.5 million girls are not born each year because of selective abortions that favor male children.[10] That number is roughly equal to the number of deaths worldwide due to hypertensive heart disease or diabetes. Globally, an estimated 36 million girls marry between the ages of 15 and 19, limiting the degree to which they can receive an education and participate

8 Li-Ju Chen, *Female policymakers and educational expenditures: Cross-country evidence*, January 2009.

9 Esther Duflo and Petia Topalova, *Unappreciated service: Performance, perceptions, and women: Leaders in India*, MIT economic faculty paper, October 2004.

10 Based on MGI calculations. Other research from the World Bank has estimated that there are 3.9 million missing women globally each year, of which two-fifths (or 1.56 million) are due to sex-selective abortions. See *World development report 2012: Gender equality and development*, World Bank, September 2011.

in the workforce.[11] Nearly 30 percent of women worldwide, or 723 million women, have been the victims of violence, as measured by MGI's indicator of violence from an intimate partner.

Economic development will help, but specific action in four areas is necessary to achieve gender equality at work more quickly

To understand the relationships between gender equality indicators as well as the role of economic development, we analyzed the correlations between different gender equality indicators across 95 countries and with indicators of overall economic development such as per capita GDP and urbanization. We acknowledge that correlation is not the same as causation. In many cases, the indicators may have mutually reinforcing rather than cause-and-effect relationships. Nevertheless, the correlation analysis is a useful tool for identifying potential areas of synergy and focus in the vast gender equality landscape.

The correlation analysis suggests that per capita GDP and urbanization are linked strongly with virtually all aspects of gender equality in society (Exhibit E5). Economic development can create momentum toward a further narrowing of gender gaps, provided countries use the dividend of higher GDP growth to boost investment in inclusive social spending and urbanization.

Achieving gender equality through economic development is, however, a slow process, and economic development does not have a decisive impact on equality in work and on many broader gender equality indicators. For instance, violence against women does tend to be lower in more developed countries, but prevalence is still high. Similarly, the global average maternal mortality rate decreased from 276 deaths per 100,000 live births in 1995 to 135 in 2013; at this rate of decline, however, the rate will still be as high as 84 deaths in 2025.[12] Moreover, economic development has a more nuanced relationship with labor-force participation; female labor-participation rates dip in middle-income countries and rise again in more advanced economies. This reflects a combination of cultural barriers and personal preferences as the opportunity cost of women working changes compared with the cost of caring for children and the elderly.

The correlation analysis suggests that acting to make improvements on four areas appears to be the most promising route to accelerating gender equality in work: education level, financial and digital inclusion (we consider these together as the delivery models for financing are closely tied with digital channels), legal protection, and unpaid care work. Apart from being closely linked to equality in work, they also lay the groundwork for improvements in access to health care, physical security, and political participation. Putting energy, effort, and resources into these four areas is likely to generate far-reaching impact and social change.

[11] UNFPA, *Marrying too young: End child marriage*, 2012.

[12] Based on a weighted average across a 95-country sample using the female population in 2014.

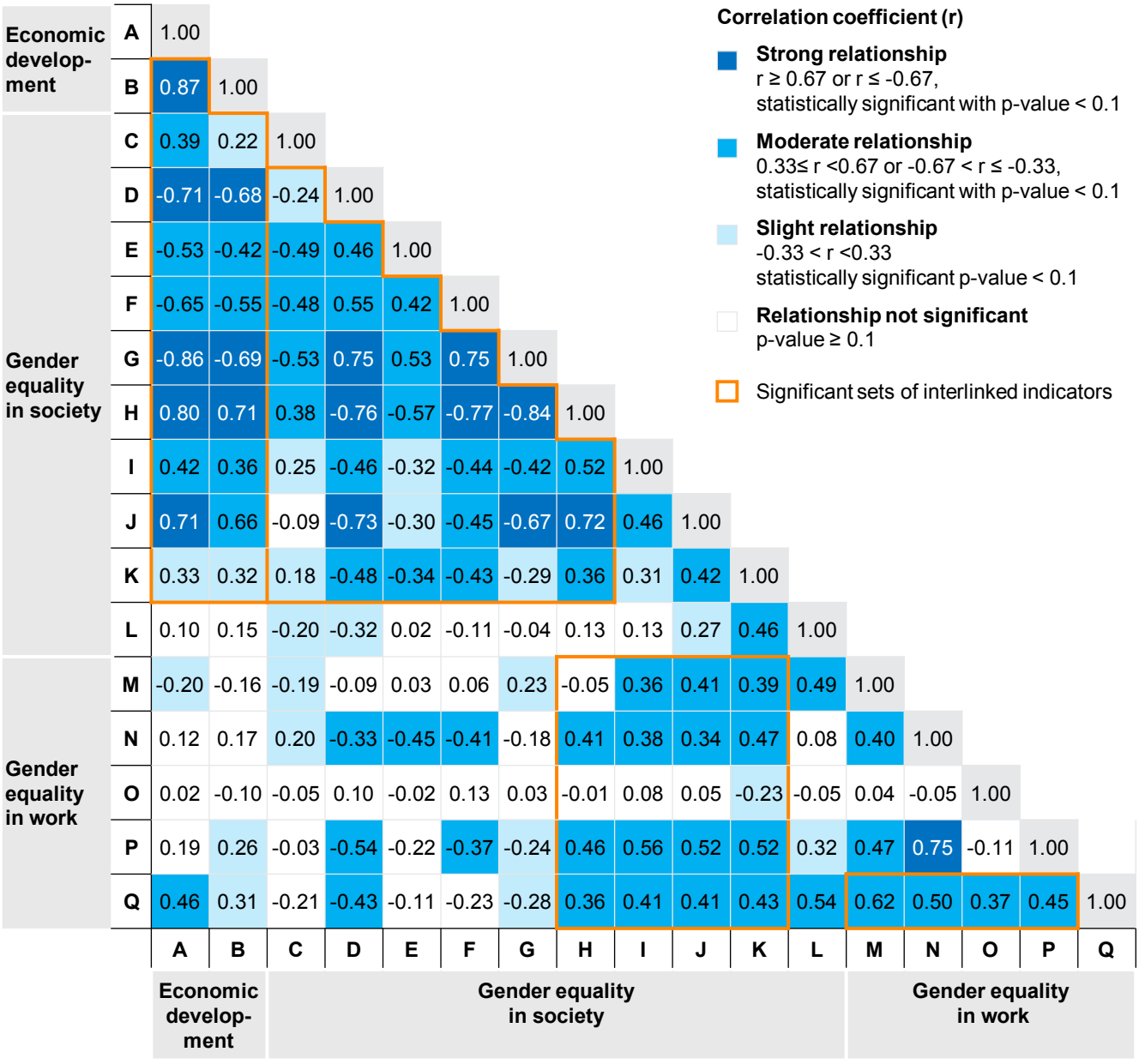
Exhibit E5

Gender equality in society is correlated with economic development, and gender equality in work with key social enablers and unpaid care work

Economic development
A. Per capita GDP[1]
B. Urbanization

Gender equality in society
C. Sex ratio at birth
D. Child marriage
E. Violence against women
F. Unmet need for family planning
G. Maternal mortality
H. Education level
I. Financial inclusion
J. Digital inclusion
K. Legal protection
L. Political representation

Gender equality in work
M. Labor-force participation rate
N. Professional and technical jobs
O. Perceived wage gap for similar work
P. Leadership positions
Q. Unpaid care work



1 Log of per capita GDP used for correlations.
NOTE: Extreme variables beyond +/- 2 standard deviations of mean were trimmed before calculating correlation. Correlation coefficient labels rounded to two decimal places. Color coding based on actual, not rounded, values.

SOURCE: McKinsey Global Institute analysis

- **Education level.** Gender equality in educational attainment has a moderate or strong correlation with three out of five work equality indicators and several indicators of gender equality in society. Women who enjoy parity in education are more likely to share unpaid work with men more equitably, to work in professional and technical occupations, and to assume leadership roles. Narrower gender gaps in educational attainment are strongly correlated with the status of girls and women in the family, measured by the prevalence of child marriage and violence against women. Higher education and skills training raise women's labor participation. Keeping girls in school for longer provides a space to help educate them about their rights and their health, and helps to make headway on child marriage, family planning, maternal health, and sex-selective abortion.

~50%
OF 4.4B
people offline are women

- **Financial and digital inclusion.** Gender parity in access to the Internet and mobile phones, and parity in access to financial services each show moderate correlations with multiple indicators of work equality. In particular, access to the Internet and mobile phones and financial inclusion are especially linked to the presence of women in leadership roles and time spent in unpaid care work. As the global economy becomes more digital and more interconnected, the Internet has evolved into an essential tool for job searching, networking, conducting business, receiving and making payments for trade with buyers and suppliers, and receiving microcredit. Yet, based on an MGI study, some 4.4 billion people, 52 percent of them women, are offline. MGI estimates that more than 3.5 billion citizens in developing economies are expected to have Internet access by 2025, more than two billion of them via mobile services. If women were to share equally in this wave of expansion and adoption, the implications for their work equality could be very significant.[13]

- **Legal protection.** Legal provisions outlining and guaranteeing the rights of women as full members of society show a moderate correlation with four out of five work equality indicators and several indicators of gender equality in society, including violence against women, child marriage, unmet need for family planning, and education. Other researchers have also highlighted the link between equality in legal provisions and the increased labor-force participation rate of women.[14]

~61%
of unpaid care work is routine household chores

- **Unpaid care work.** The share of women engaged in unpaid work relative to men has a high correlation with female labor-force participation rates and a moderate correlation with their chances of assuming leadership positions and participating in professional and technical jobs. Unpaid work by women also shows strong to moderate correlation with education levels, financial and digital inclusion, and legal protection. Based on analysis of Organisation for Economic Co-operation and Development (OECD) data, some 61 percent of unpaid care work is routine household work such as cooking, cleaning, collecting water and firewood, home maintenance, and gardening. Other types of work intrinsic to the family unit are caring for children and aging relatives. Such work may be done willingly and contribute to personal and family well-being. However, some of it could be reduced or eliminated through improved infrastructure and automation, shared more equitably by male and female members of the household, or converted into paid jobs, including through state-funded or market-driven care services. It should be noted that some of these interventions would result in higher GDP to the extent that time saved by women is used for paid work. Beyond GDP, there could be other positive effects. For instance, more women could be financially independent, and there may be intergenerational benefits for the children of earning mothers. In one study of

[13] *Disruptive technologies: Advances that will transform life, business, and the global economy*, McKinsey Global Institute, May 2013.

[14] Christian Gonzales, Sonali Jain-Chandra, Kalpana Kochhar, and Monique Newiak, *Fair play: More equal laws boost female labor force participation*, IMF staff discussion note number 15/02, February 2015.

24 countries, daughters of working mothers were more likely to be employed, have higher earnings, and hold supervisory roles.[15]

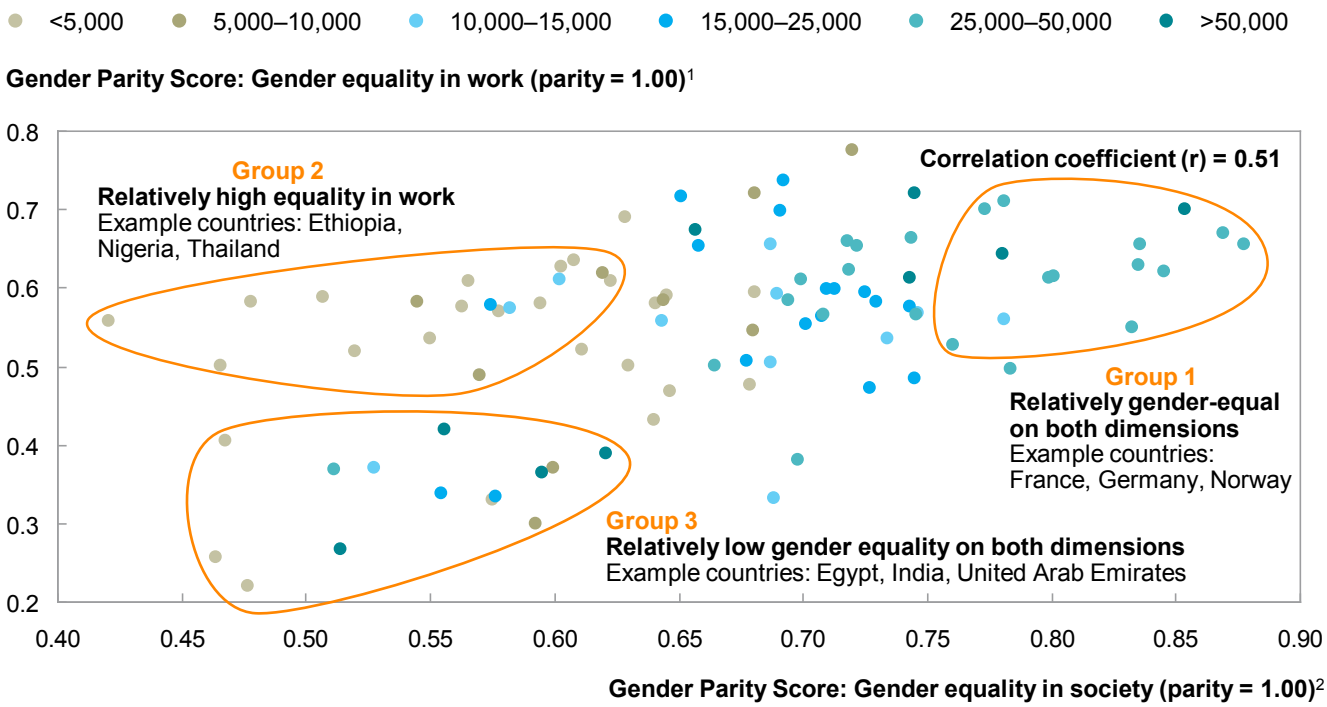
To supplement the correlation analysis, MGI calculated a Gender Parity Score using the 15 indicators to measure how far each country is from full gender parity. The GPS weights each indicator equally and calculates an aggregate measure at the country level of how close women are to gender parity in each of the 95 countries, where a GPS of 1.00 indicates parity. We also calculate GPS for subgroups of indicators, specifically comparing GPS on work equality indicators with the GPS on indicators relating to equality in society. This enables what, to our knowledge, is the first comparison of the interplay between the economic and social dimensions of the gender gap.

Broadly speaking, an increase in gender equality in society is linked with an increase in gender equality in work. While absolute scores on gender equality in society tend to be higher than those of gender equality in work for most countries, virtually no country has high gender equality in society and low equality in work (Exhibit E6).

Exhibit E6

Gender equality in society is linked with gender equality in work

Per capita GDP levels, 2014 purchasing-power-parity international dollar



1 Labor-force participation rate, professional and technical jobs, perceived wage gap for similar work, leadership positions, unpaid care work.
2 Essential services and enablers of economic opportunity, legal protection and political voice, physical security and autonomy.

SOURCE: McKinsey Global Institute analysis

[15] Kathleen L. McGinn, Mayra Ruiz Castro, and Elizabeth Long Lingo, *Mums the word! Cross-national effects of maternal employment on gender inequalities at work and at home*, Harvard Business School working paper 15-094, June 2015.

Countries in Group 1 are relatively gender-equal on both dimensions, although even they have scope to improve their GPS on gender equality in society and in work. Countries in Group 2 have achieved relatively high gender equality in work, as women's participation in the labor force is high. But many women in these economies are engaged in near-subsistence agriculture or low-value-adding jobs, and may lack the wherewithal to rise beyond the initial rungs of the work ladder. Countries in Group 3 are characterized by low gender equality in both work and society. In many countries across these groups, a lack of skills and cultural norms could constrain the roles available to women.

Shifts in deep-seated attitudes and beliefs would be necessary to address gender inequality at work

Even relatively equal societies still have significant gender gaps. This reflects the fact that cultural attitudes play a strong role in influencing the status of women in society and in work. Attitudes among both men and women shape the level of gender parity considered appropriate or desirable within each society. For example, demographic and health surveys find that women believe that arguing with their husbands, refusing to have sex, burning food, or going out without telling the husband are all justifiable reasons for domestic violence.[16]

MGI has analyzed the World Values Survey and data from the OECD and found a strong link between attitudes that limit women's potential and the actual gender equality outcomes in a given region. For instance, the survey asked respondents, both men and women, whether they agreed with the following statements: "When jobs are scarce, men should have more right to a job than women" and "When a mother works for pay, the children suffer." We examined the responses against outcomes relating to equality in work and found strong correlations with both. More than half of the respondents in South Asia and MENA agreed with both statements—and these regions have some of the world's lowest rates of women's labor-force participation. These beliefs persist even in a sizable proportion of respondents in developed countries.

THE DISTANCE FROM GENDER PARITY VARIES FOR DIFFERENT COUNTRIES

GPS lowest in South Asia (excluding India) at **0.44** and highest in North America and Oceania at **0.74**

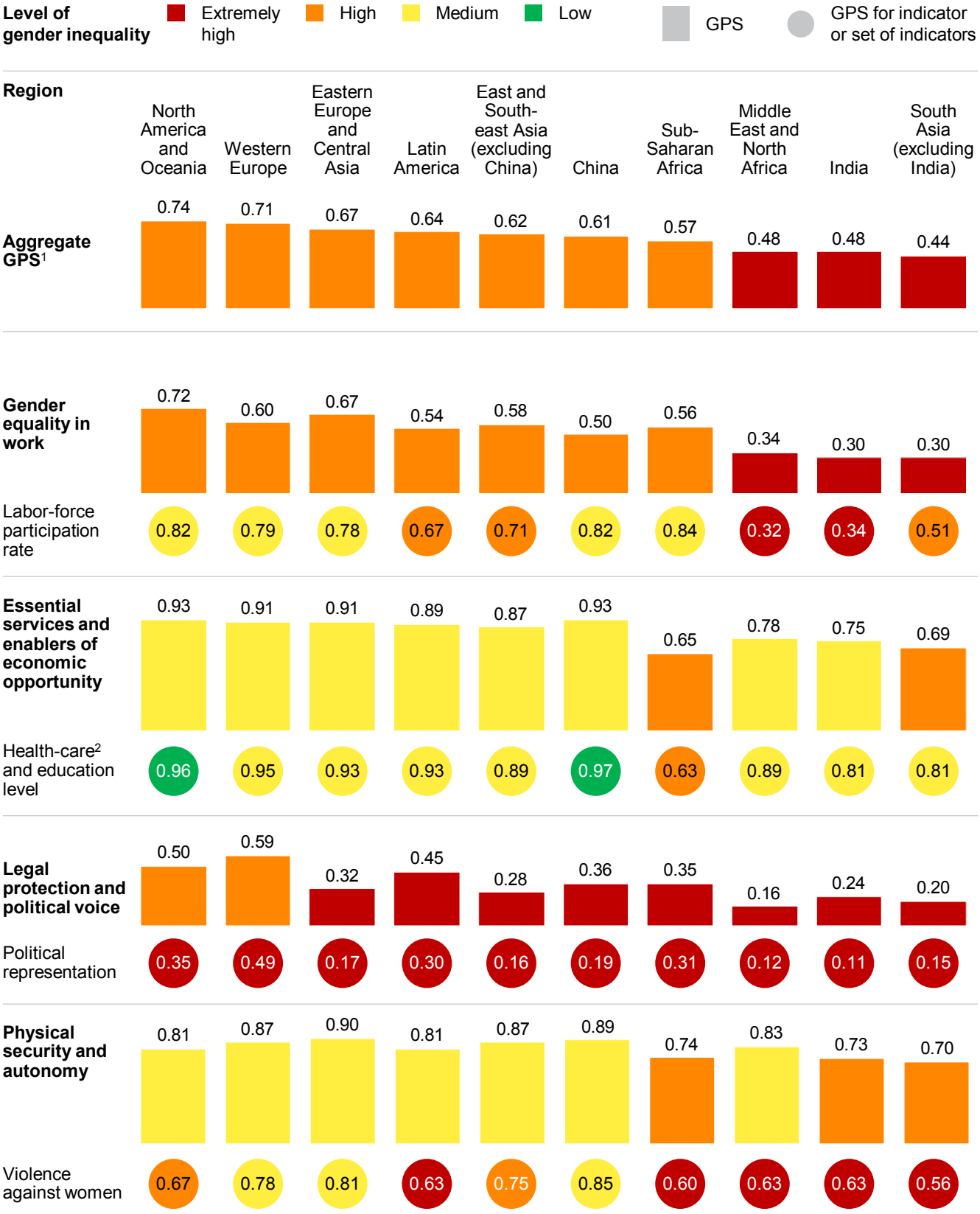
MGI's GPS scoring system enables us to gauge the distance countries have traveled toward gender parity and therefore the size of the gap that individual countries would need to bridge to achieve parity. MGI calculated a GPS for each country and for each region, weighting country scores on the size of the female population in each country in a particular region, where a GPS of 1.00 indicates full parity. We also calculated GPS for individual dimensions of gender equality such as essential services and enablers of economic opportunity, and physical security and autonomy, as well as for groups of indicators in the categories of equality in work and equality in society.

The world's performance on closing the gender gap appears poor when MGI's comprehensive lens of 15 indicators is used. By MGI's Gender Parity Score based on 15 indicators, 12 countries (Bangladesh, Chad, Egypt, India, Iran, Mali, Niger, Oman, Pakistan, Saudi Arabia, Turkey, and Yemen) have closed less than 50 percent of the gender gap. The regional GPS is lowest—meaning that this region has the furthest to travel to achieve gender parity—in South Asia (excluding India) at 0.44, and highest in North America and Oceania at 0.74 (Exhibit E7).

[16] Sunita Kishor and Kiersten Johnson, *Profiling domestic violence: A multi-country study*, Measure DHS+, June 2004.

Exhibit E7

Regions have distinct levels and patterns of gender equality


Level of gender inequality
Extremely high
High
Medium
Low
GPS
GPS for indicator or set of indicators
Region
North America and Oceania
Western Europe
Eastern Europe and Central Asia
Latin America
East and South-east Asia (excluding China)
China
Sub-Saharan Africa
Middle East and North Africa
India
South Asia (excluding India)
Aggregate GPS[1]
0.74 0.71 0.67 0.64 0.62 0.61 0.57 0.48 0.48 0.44
Gender equality in work
0.72 0.60 0.67 0.54 0.58 0.50 0.56 0.34 0.30 0.30
Labor-force participation rate
0.82 0.79 0.78 0.67 0.71 0.82 0.84 0.32 0.34 0.51
Essential services and enablers of economic opportunity
0.93 0.91 0.91 0.89 0.87 0.93 0.65 0.78 0.75 0.69
Health-care[2] and education level
0.96 0.95 0.93 0.93 0.89 0.97 0.63 0.89 0.81 0.81
Legal protection and political voice
0.50 0.59 0.32 0.45 0.28 0.36 0.35 0.16 0.24 0.20
Political representation
0.35 0.49 0.17 0.30 0.16 0.19 0.31 0.12 0.11 0.15
Physical security and autonomy
0.81 0.87 0.90 0.81 0.87 0.89 0.74 0.83 0.73 0.70
Violence against women
0.67 0.78 0.81 0.63 0.75 0.85 0.60 0.63 0.63 0.56

1 All GPS calculations are conducted using a sum of squares method with equal weighting across indicators. For all categories, color coding is in line with impact zones. Color coding for aggregate GPS is based on thresholds for majority of indicators.
2 Comprising unmet need for family planning and maternal mortality.
NOTE: Numbers are rounded to two decimal places. Color coding is based on actual, not rounded, values.

SOURCE: McKinsey Global Institute analysis

Some of the findings of the GPS analysis may be surprising. Women in South Asia (excluding India) have a higher per capita GDP of about $4,340 on a 2014 purchasing power parity basis than those in sub-Saharan Africa, whose average per capita GDP is $3,680, but they face higher gender inequality than women in sub-Saharan Africa. Chinese women have about the same access to essential services as women in developed economies, but have higher gender gaps in aspects of equality in work. Women in Western Europe and the North America and Oceania region are the closest to gender parity in all ten regions. But women in Western Europe tend to have higher political participation and somewhat higher physical security, while women in North America tend to be more empowered on virtually all dimensions of work equality.

While countries' GPS tends to be largely in line with that of their region, economic, cultural, and political factors drive significant differences within regions (Exhibit E8). For instance, some countries in sub-Saharan Africa (Chad, Côte d'Ivoire, Democratic Republic of the Congo, Guinea, Mali, and Niger) have significantly higher gaps on essential services and enablers of economic opportunity relative to other sub-Saharan African countries, including Ghana, Kenya, Madagascar, Rwanda, Tanzania, Zambia, and Zimbabwe. Women in Austria, Greece, Ireland, Italy, Luxembourg, Portugal, and the United Kingdom have lower political participation than those in Belgium, Denmark, Finland, the Netherlands, Norway, and Sweden.

TO HELP PRIORITIZE POTENTIAL ACTION, MGI HAS IDENTIFIED TEN "IMPACT ZONES" THAT ACCOUNT FOR MORE THAN 75 PERCENT OF THE GLOBAL GENDER GAP

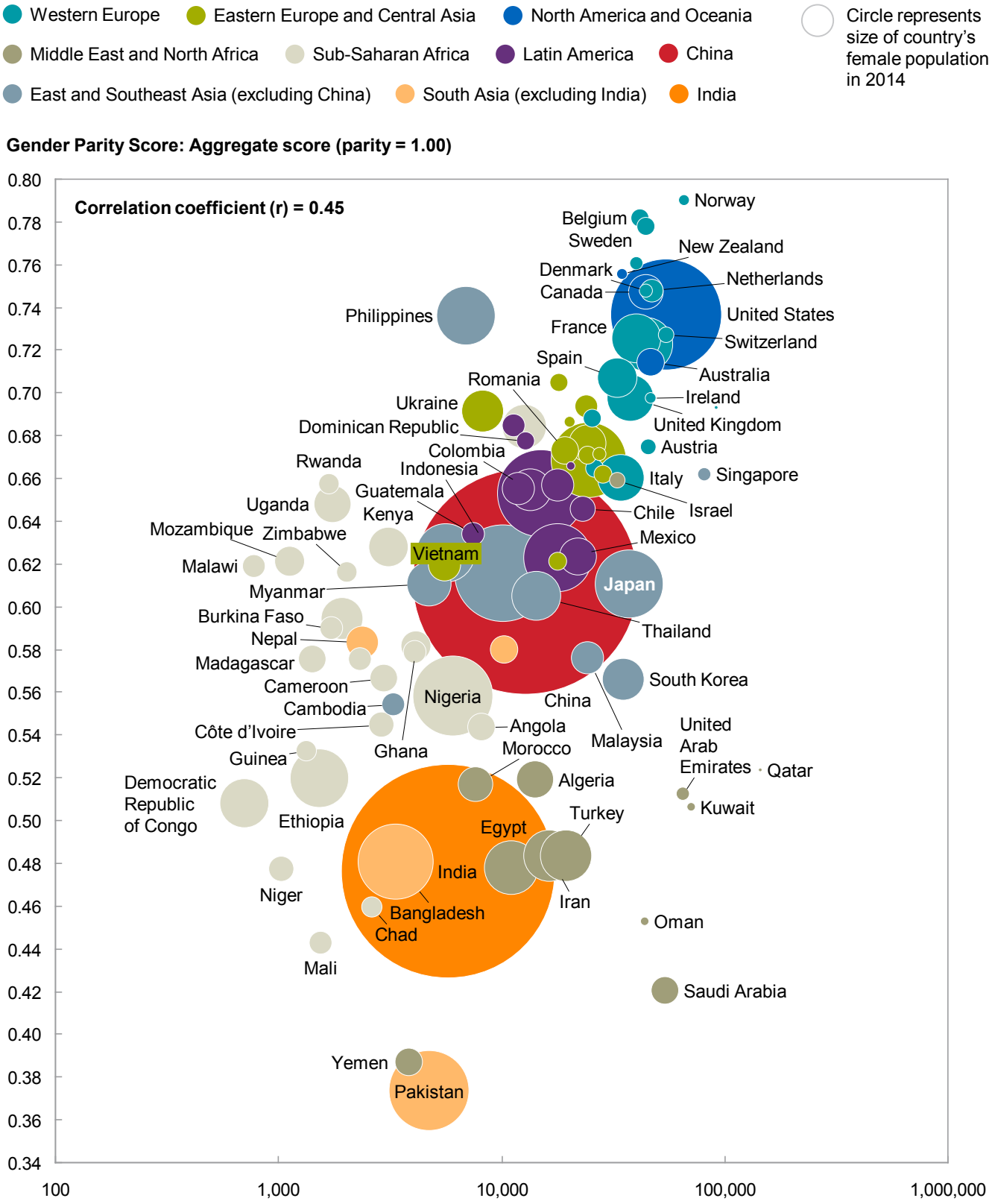
All forms of gender inequality need to be tackled, but, given the magnitude of the gap and limitations on resources, it is important for governments, foundations, and private-sector organizations to focus their efforts. In order to help them do so, MGI has identified ten "impact zones," which reflect both the seriousness of a type of gender inequality and its geographic concentration (Exhibit E9).[17] The global impact zones are blocked economic potential; time spent in unpaid care work; fewer legal rights; political underrepresentation; and violence against women. The regional impact zones are low labor-force participation in quality jobs; low maternal and reproductive health; unequal education levels; financial and digital exclusion; and girl-child vulnerability.

Effective action in these zones alone would move more than 75 percent of women affected by gender inequality globally closer to parity. It could help as many as 76 percent of women affected by adult literacy gaps, 72 percent of those with unequal access to financial inclusion, 60 percent of those affected by maternal mortality issues, 58 percent of those affected by child marriage, and 54 percent of women disadvantaged by unequal labor-force participation rates.

[17] Regional numbers for gender equality indicators typically represent weighted averages based on 2014 female population data available from the UN. Per capita GDP is based on data from the IMF and represents values in 2014 international dollars adjusted for purchasing power parity.

Exhibit E8

Countries' aggregate GPS tends to increase with per capita GDP



NOTE: For legibility, some country labels are not shown: Argentina, Azerbaijan, Belarus, Brazil, Croatia, Czech Republic, Ecuador, Finland, Germany, Greece, Hungary, Kazakhstan, Luxembourg, Peru, Poland, Portugal, Russia, Senegal, Slovak Republic, South Africa, Sri Lanka, Tanzania, Uruguay, Uzbekistan, Venezuela, and Zambia.

SOURCE: McKinsey Global Institute analysis

Exhibit E9

There are strong concentrations of gender inequality in ten "impact zones"

Level of gender inequality — Extremely high; High; Medium; Low

Impact zones — Global; Regional

	China	East and Southeast Asia (excluding China)	India	South Asia (excluding India)	Middle East and North Africa	Sub-Saharan Africa	Latin America	North America and Oceania	Eastern Europe and Central Asia	Western Europe
Female population, 2014 (million)	671	401	612	194	191	412	276	196	181	212
Gender equality in work										
Labor-force participation rate (F/M ratio)	0.817	0.707	0.338	0.508	0.324	0.839	0.672	0.823	0.777	0.792
Professional and technical jobs (F/M ratio)	1.072	1.003	no data	0.346	0.553	0.744	1.064	1.319	1.648	0.964
Perceived wage gap for similar work (F/M ratio)	0.570	0.647	0.483	0.506	0.604	0.629	0.463	0.608	0.586	0.527
Leadership positions (F/M ratio)	0.201	0.384	no data	0.076	0.116	0.339	0.573	0.736	0.582	0.503
Unpaid care work (M/F ratio)	0.389	0.299	0.102	0.176	0.161	0.476	0.350	0.618	0.506	0.482
Gender equality in society										
Essential services and enablers of economic opportunity										
Unmet need for family planning (% of women)	4%	13%	13%	17%	12%	24%	10%	7%	10%	9%
Maternal mortality per 100,000 births	32	103	190	164	57	483	70	25	21	6
Education level (F/M ratio)	0.973	0.962	0.763	0.788	0.883	0.689	0.989	1.000	0.978	0.997
Financial inclusion (F/M ratio)	0.873	0.845	0.659	0.525	0.638	0.740	0.799	0.865	0.881	0.827
Digital inclusion (F/M ratio)	no data	0.868	0.724	0.723	0.767	0.580	0.965	0.996	0.941	0.951
Legal protection and political voice										
Legal protection (index)	0.583	0.483	0.399	0.261	0.226	0.415	0.657	0.742	0.525	0.771
Political representation (F/M ratio)	0.191	0.156	0.114	0.152	0.116	0.310	0.302	0.346	0.169	0.486
Physical security and autonomy										
Sex ratio at birth (M/F ratio)	1.170	1.060	1.108	1.066	1.049	1.038	1.049	1.049	1.061	1.057
Child marriage (% of girls and young women)	2%	8%	27%	26%	12%	19%	3%	2%	3%	1%
Violence against women (% of women)	15%	25%	37%	44%	38%	40%	37%	33%	19%	22%

1. Blocked economic potential
2. Time spent in unpaid care work
3. Fewer legal rights
4. Political underrepresentation
5. Violence against women
6. Low labor-force participation in quality jobs
   India; Middle East and North Africa; South Asia (excluding India); sub-Saharan Africa
7. Low maternal and reproductive health
   Sub-Saharan Africa
8. Unequal education levels
   India; South Asia (excluding India); sub-Saharan Africa
9. Financial and digital exclusion
   India; Middle East and North Africa; South Asia (excluding India); sub-Saharan Africa
10. Girl-child vulnerability (sex ratio at birth and child marriage)
    China; India; South Asia (excluding India)

NOTE: Numbers are rounded. Color coding is based on actual, not rounded, numbers.

SOURCE: McKinsey Global Institute analysis

SIX TYPES OF INTERVENTION—WITH THE PRIVATE SECTOR PLAYING AN ACTIVE ROLE—ARE NECESSARY TO BRIDGE THE GENDER GAP

Across the ten impact zones, MGI identified 75 interventions and more than 150 case examples around the world that have been used to narrow gender gaps, and conducted a meta-analysis of research available. We conclude that these interventions offer promising avenues to explore. It is not possible to assess the impact of all individual interventions for many reasons. Rigorous gender-disaggregated data and impact evaluations are not available for many initiatives. In many instances, the time scales involved before results can be discerned are long, and initiatives are often interrelated, complementing each other, and it is therefore not possible to disentangle the effects of one from another. We did not prioritize interventions because their impact can vary greatly depending on a country's stage of development and culture. More analysis is required in order to tailor interventions to individual social contexts.

We have grouped them into six promising types of intervention that stakeholders could explore to address gender gaps both in work and in society. We believe these six offer a useful set of potential tools and approaches for tackling the ten impact zones. However, we do not believe that any single intervention is likely to have an impact on gender equality at a national level but rather that a comprehensive and sustained portfolio of initiatives will be required.

- **Financial incentives and support.** Financial mechanisms such as cash transfers targeting girls can help to incentivize behavioral changes within families and communities. Morocco, for instance, implemented a program of cash transfers to families for educational spending that helped reduce dropout rates by about 75 percent and increased the rates of return to school of all children who had previously dropped out by about 80 percent.[18] The Naning'oi Girls Boarding School project in Kenya substitutes the traditional practice of "booking" girls for marriage with booking them for school instead; in this program, the traditional dowry of livestock or gifts to the girl's parents is given in exchange for her going to school rather than getting married.[19] The removal of tax disincentives to both partners working can also help induce higher female labor-force participation. Canada reduced the tax contribution of the second earner in a family, and this resulted in an increase in labor-force participation for women.[20] Universal publicly funded or subsidized child care has been the focus of governments in some countries. For instance, the Swedish government runs subsidized child-care centers for children below the age of six. More governments could offer such financial incentives and support, but companies can play a role too by, for instance, offering funding to school scholarship programs for girls and supporting movements in favor of the removal of tax disincentives to both partners working.

- **Technology and infrastructure.** Investment in physical infrastructure, such as providing sanitation facilities for girls in schools, can reduce the gender gap in education. Egypt's Education Enhancement program built schools in areas with low girls' enrollment with the aim of increasing that enrollment. India's IT and business-process outsourcing firms are providing safe transport for women employees using vehicles with tracking devices. Digital solutions such as mobile packages targeting women, apps designed for female entrepreneurs, and mobile-based emergency services for female victims of violence can reduce gender-based barriers in access to knowledge and opportunities, and provide support to women. Examples of such solutions include Vodafone's TecSoS handset that

[18] Najy Benhassine et al., *Turning a shove into a nudge? A "labeled cash transfer" for education*, NBER working paper number 19227, July 2013.

[19] Saranga Jain and Kathleen Kurz, *New insights on preventing child marriage: A global analysis of factors and programs*, International Center for Research on Women, April 2007.

[20] Evridiki Tsounta, *Why are women working so much more in Canada? An international perspective*, IMF working paper number 06/92, April 2006.

alerts emergency services when a woman is subjected to violence; a single keystroke sends location details and triggers a recording of all activity near the device, information that can subsequently be used as evidence in court. Electronic kiosks in Brazil at stations on suburban rail lines that primarily serve poor communities disseminate information on support for violence survivors. Infrastructure that provides energy and water in homes, and affordable child-care centers can reduce time spend on unpaid work.

- **Creation of economic opportunity.** Opening up avenues for women to engage in productive work and entrepreneurship, and lowering barriers to their moving into positions of responsibility and leadership are areas where the private sector can play a particularly effective role. McKinsey's extensive research on diversity in the workplace suggests that companies can set explicit goals for diversity at all levels in the organization and can implement structured workplace practices for recruitment, flexibility, family leave, leadership training, and sponsorship of women.[21] One example is Vodafone, which has established global minimums of 16 weeks of fully paid maternity leave, followed by six months during which women can work flexibly for 30 hours per week on full salary.

  McKinsey's 2013 Women Matter research also found that close to 40 percent of female respondents and 30 percent of male respondents believed that women's leadership and communication styles are incompatible with those in the top management of their firms. This underscores the importance of establishing criteria for recruiting and reviews that are unbiased and objective, and for companies to ensure they recognize and value a broad range of leadership styles. Such workplace initiatives can help ensure continued participation of women in the workforce and also help create a robust pipeline of future women leaders.

  Companies can also offer skills-building programs tied to future job placements and employment opportunities, as retailer H&M is doing in Bangladesh for garment workers. General Electric, Saudi Aramco, and Tata Consultancy Services have established an all-female business processing center in Riyadh that also provides training for new recruits. Beyond offering employment, companies can expand women-led businesses in supply chains as the Walmart Foundation, for instance, is doing, and help female entrepreneurs access capital and business education as with Goldman Sachs' 10,000 Women initiative.

- **Capability building.** Ensuring that girls and women receive education and training can make important contributions to tackling gender inequality. Action to ensure that education systems help to deliver capabilities among girls and women include doing more to equip girls with high-quality education, including in science, technology, engineering, and mathematics (STEM), ensuring that girls have access to a broad range of life skills and vocational training and that women obtain education on maternal and reproductive health and even financial and digital literacy. Examples include the program run by nongovernmental organization (NGO) Girls Inc. in the United States, which offers after-school programming for girls that mixes socializing and peer support with math and science education, pregnancy and drug-abuse prevention, media literacy, economic literacy, and sports participation. Another example is a program in Côte d'Ivoire by the public sector and the United Nations Population Fund (UNFPA) that provides comprehensive sex education in schools to reduce teen pregnancy rates, and Intel's "She will connect" program in developing countries, which develops digital literacy

[21] See McKinsey's Women Matter research at **www.mckinsey.com/features/women_matter**. In addition, a McKinsey and Lean In study to be launched in September 2015 discusses what companies could do to promote organizational gender diversity, based on data on the female talent pipeline, companies' policies and programs to support gender diversity, and an attitudinal survey about workplace gender diversity from 118 companies and 29,000 employees in North America.

through training programs, an online gaming platform, and a peer network. Capability building initiatives are also needed to train teachers, medical professionals, and law enforcement officers to deal with gender issues. One such example is the program run by the Kaiser Permanente hospital network in the United States, which trains medical staff to identify instances of violence early and in what referral and support protocols should be used.

- **Advocacy and shaping attitudes.** Attitudes and social norms have a heavy influence on gender equality issues, and these cannot easily be budged. But acting on this front is a priority through, for instance, programs to engage individuals and communities in dialogues; the promotion of role models, support, and peer groups for women; and national awareness efforts using compelling mass and social media campaigns. For example, Save the Children's Choices program uses workshops to change gender attitudes among young people. To achieve scale on similar grass-roots initiatives, existing government infrastructure and community organizations in rural areas can be leveraged and equipped with best practice tool kits on how to drive change in social norms. One illustration is the NGO Raising Voices, which has created an online SASA! tool kit to help change attitudes toward violence against women. Attitudes and beliefs in the workplace matter too. For example, only 30 percent of women in a McKinsey survey in Europe said they believed that the evaluation system in their company treated men and women equally.[22] Companies can pay increased attention to addressing unconscious biases in both men and women employees, particularly in hiring, retention, and promotion practices in the workforce, and create a supportive corporate culture. Insights into such biases can then be used to have an impact on broader social attitudes through companies' public relations, marketing, and corporate social responsibility efforts. One example of such an approach is Procter & Gamble's #SharetheLoad television campaign in India, which seeks to draw attention to the societal belief that laundry is exclusively a woman's job.

Only 30 percent of European women surveyed by McKinsey said their company's evaluation system was gender neutral.

480
days of parental leave offered in Sweden

- **Laws, policies, and regulations.** Governments can create a gender-neutral climate through legislation that protects the rights of women to combat issues such as violence against women, and to implement and enforce antidiscriminatory labor market policies. Brazil, for instance, enacted the Maria da Penha law, a comprehensive piece of legislation that established specialized courts for domestic and family violence and created a network of shelters and police stations. Sweden provides for 480 days of parental leave with benefits, with 60 days reserved specifically for each parent, while Belgium requires companies with more than 50 workers to analyze gender pay gaps and produce action plans to address issues. We emphasize that the design and implementation of gender-friendly laws should be undertaken carefully with the government working hand in hand with other key stakeholders, such as NGOs and the private sector, to understand the long-term implications of policy change.

[22] *Making the breakthrough*, Women Matter 2012, McKinsey & Company, March 2012.

We find that initiatives led by a single stakeholder will not be sufficient to drive change. Different players need to be actively involved, and both public- and private-sector organizations can play a vital role. Specific solutions need to be tailored based on evidence on what actually works within the cultural and economic context of each country, company, and community—and more analysis is warranted on this.

MGI's review of interventions found that, regardless of which stakeholder implements these initiatives, a number of common factors are important for their success. Gender initiatives need to tackle deep-rooted attitudes and behavior, and achieve scale even while transforming one mind at a time. Successful programs that address gender issues work holistically and take on multiple barriers simultaneously. They work with women as partners in diagnosing problems and finding solutions, and they engage the right stakeholders, including, depending on the situation, husbands, boys, and community elders. Innovative collaborations by diverse partners can be effective, as can making use of digital technologies. Like any change program, action to tackle gender inequality needs to be tracked and measured in order to identify and codify best practice. Finally, a country's spending on women-oriented programs will be a small share of its overall development and social budgets, and it is therefore important that overall budgets and resources are channeled in a gender-neutral way.

Many of the interventions we highlight in this research are the natural responsibility of the government. Such interventions include the enactment of laws removing barriers to women entering the workforce (such as the right of women to work night shifts), mandating protection of women in the workplace, and could even take the form of legislating quotas for the number of women as candidates for political office or on company boards. Similarly, the provision of infrastructure and basic services in a gender-friendly way, such as safe transport, sanitation facilities for girls in all schools, and establishing national plans and protocols for maternal and reproductive health and specialized courts to handle gender-based violence, is largely the domain of the government.

Many interventions can also be pursued by private companies, on their own or in partnership with government, and can be viewed as opportunities rather than a source of additional cost. Gender initiatives can deliver significant benefits for organizations in myriad ways. Boosting gender diversity within their own operations could enhance companies' staffing and talent; research suggests that increasing the presence and responsibility of women is correlated with improved company performance, and that there is a connection between the representation of women in leadership positions and corporate returns.[23] Focusing on women as key constituencies could help firms enhance understanding of their customer base and target women consumers better.[24] Equal participation by women is also important given the widening skill gap in areas such as STEM. Previous MGI research has found, for example, that advanced economies face an estimated shortfall of 18 million workers with tertiary degrees by 2020 and could bridge 3.2 million of that gap by doubling

[23] One study found that having at least one female director correlated with firm returns that were higher by a compound rate of 3.7 percent a year compared with those posted by companies with no women on their boards. See Julia Dawson, Richard Kersley, and Stefano Natella, *The CS Gender 3000: Women in senior management*, Credit Suisse Research Institute, September 2014. McKinsey's Women Matter research also suggests that increasing the presence and responsibility of women is correlated with improved company performance, and that firms with more than three women in top management positions scored higher than their peers on McKinsey's Organizational Health Index. Our research indicates that women apply five of nine types of leadership behavior (e.g., role modeling and participative decision making) that are considered effective for the health of organizations more frequently than men. See, for example, *Gender diversity: A corporate performance driver*, Women Matter 2007, McKinsey and Company, 2007.

[24] Studies have found that women are often the final decision makers on everyday household spending, and that this role grows stronger as their earnings rise. See Selamah Abdullah Yusof and Jarita Duasa, "Household decision-making and expenditure patterns of married men and women in Malaysia," *Journal of Family and Economic Issues*, volume 31, issue 3, May 2010.

the historical growth in the participation rate of women of prime working age.[25] Finally, companies can work with suppliers and distributors to promote diversity, and develop business partnerships with women-led organizations. More gender-disaggregated data collection and analysis by companies would help evaluate the returns to businesses from such investment.

CEOs and the private sector can have an impact not only on their female employees but also on participants in their supply chains, distributors, and customers, and on the broader communities in which they work. As a first step, they could implement policies within their own organizations to attract, retain, and promote the women within their firms, motivating other companies to do the same. But their role could be much broader. In many countries, workforces in the organized sector represent a small fraction of the total labor force, with most women (and men) employed in the informal sector or self-employed. Helping women in these countries become more successful business owners and business partners, suppliers, and distributors to large companies could present a win-win for communities and firms. Companies could also lend their business expertise and create offerings to support gender equality initiatives—for instance, technology companies could provide mobile apps for women, and health-care providers could help survivors of violence—and empower women through their corporate social responsibility efforts. Finally, companies could play a role in advocacy efforts and in public-private coalitions to drive change. In Germany, for instance, a group of 11 private-sector, government, media, and science and technology organizations, including McKinsey & Company, came together in an initiative called Chefsache (meaning "CEO priority") in July 2015 under the sponsorship of the chancellor. This movement aims to drive change in social attitudes that influence whether women take leadership roles in business.

•••

Closing the global gender gap could give the world economy a substantial boost—according to this research, potentially doubling the growth in global GDP contributed by women in the next decade. However, unless gender equality in society is addressed, those large economic benefits are unlikely to be realized. The first challenge is to understand the gender inequality landscape in sufficient detail to be able to prioritize action. The next is to use that knowledge to engineer change.

[25] *The world at work: Jobs, pay and skills for 3.5 billion people*, McKinsey Global Institute, June 2012.

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1. THE ECONOMIC CASE FOR CHANGE

Gender inequality is not only a pressing moral and social issue, but also a critical economic challenge. The global economy cannot operate at its full potential with constraints holding back a significant proportion of the world's population. MGI estimates that fully closing the global gap between men and women on labor-force participation, hours worked, and the sector mix of employment could boost annual GDP by 26 percent over business-as-usual forecasts for 2025. This maximum potential is equivalent to 2.2 percentage points of incremental global GDP growth per year. In 2025 alone, up to $28 trillion—an amount roughly equivalent to the size of today's US and Chinese economies combined—could be added to global GDP.

Our analysis suggests the world could achieve as much as 42 percent of the full potential—or up to $12 trillion of annual output in 2025, adding 1.0 percentage point to global GDP growth per year—if all countries were to match the momentum of the fastest-improving country in their region. This is equivalent to the current GDP of Japan, Germany, and the United Kingdom combined. It represents a doubling of the likely growth in GDP contributed by female workers in the business-as-usual scenario.

WOMEN CURRENTLY GENERATE 37 PERCENT OF GLOBAL GDP—COUNTING ONLY THEIR PARTICIPATION IN THE MARKET ECONOMY

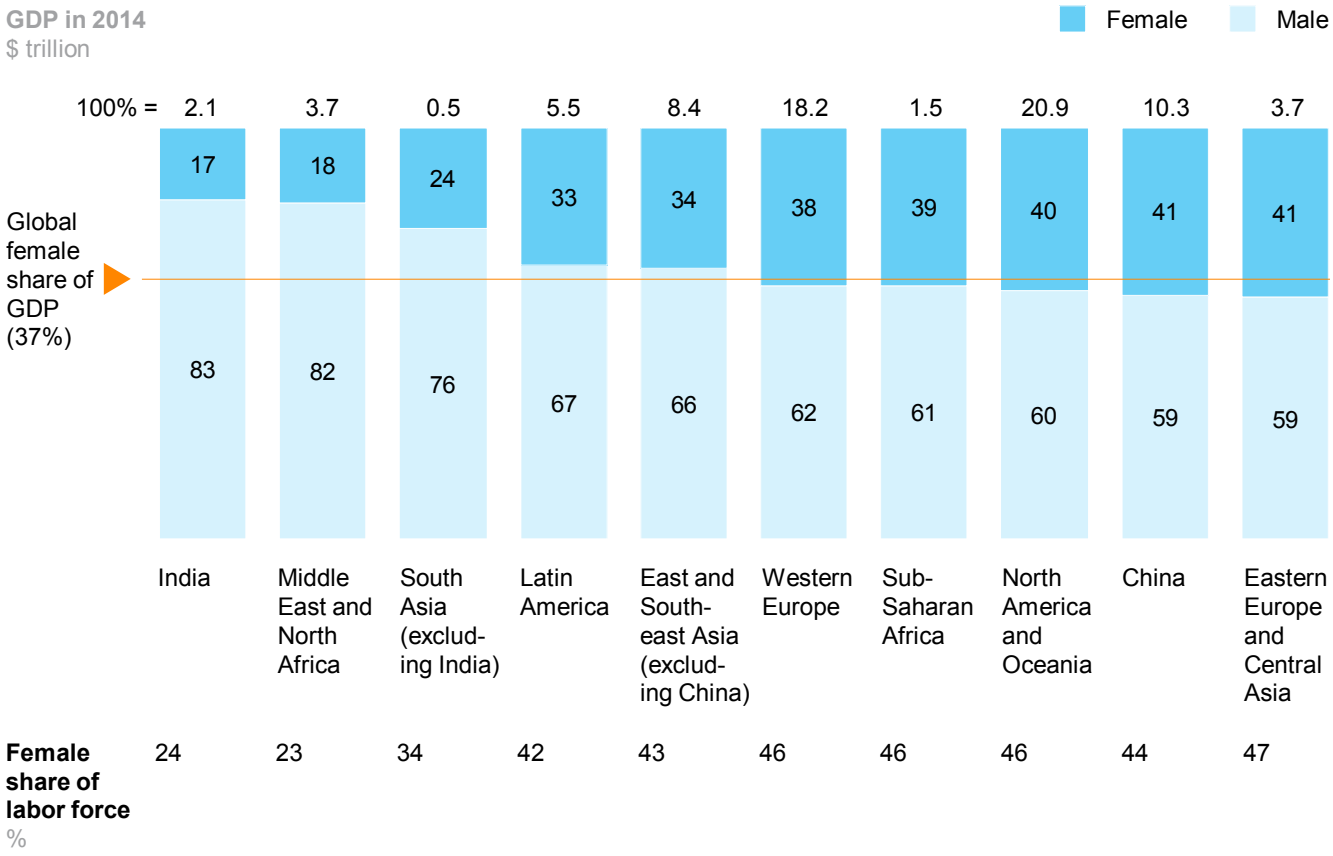
Only **17%** of Indian GDP generated by women

In recent decades, global movements and charters have recognized that women have the right to equal opportunity, equal access to resources, and freedom from discrimination. These efforts have partly paid off. Women have entered the workforce in greater numbers, and today they occupy positions of leadership in government, business, and civil society in many parts of the world. Nevertheless, women have yet to achieve parity in labor markets and in key aspects of their everyday lives. In some advanced economies, the remaining barriers are subtle. In many parts of the emerging world, the basics of legal protection, self-determination, and access to essential services remain elusive for millions of women.

Our analysis of 95 countries finds that female workers currently generate about 37 percent of the world's GDP, considerably lower than their 50 percent share of the global working-age population suggests is possible. The global average masks large variations among the world's ten regions (Exhibit 1). The share of regional GDP generated by women is only 17 percent in India, 18 percent in MENA, and 24 percent in South Asia (excluding India). The share is highest at 40 to 41 percent in North America and Oceania, China, and Eastern Europe and Central Asia.

Exhibit 1

Women contribute 37 percent to global GDP—with a range among regions of 17 percent to 41 percent



SOURCE: International Labour Organisation (ILO); World Input-Output Database; Oxford Economics; IHS; national statistical agencies, McKinsey Global Growth Model; McKinsey Global Institute analysis

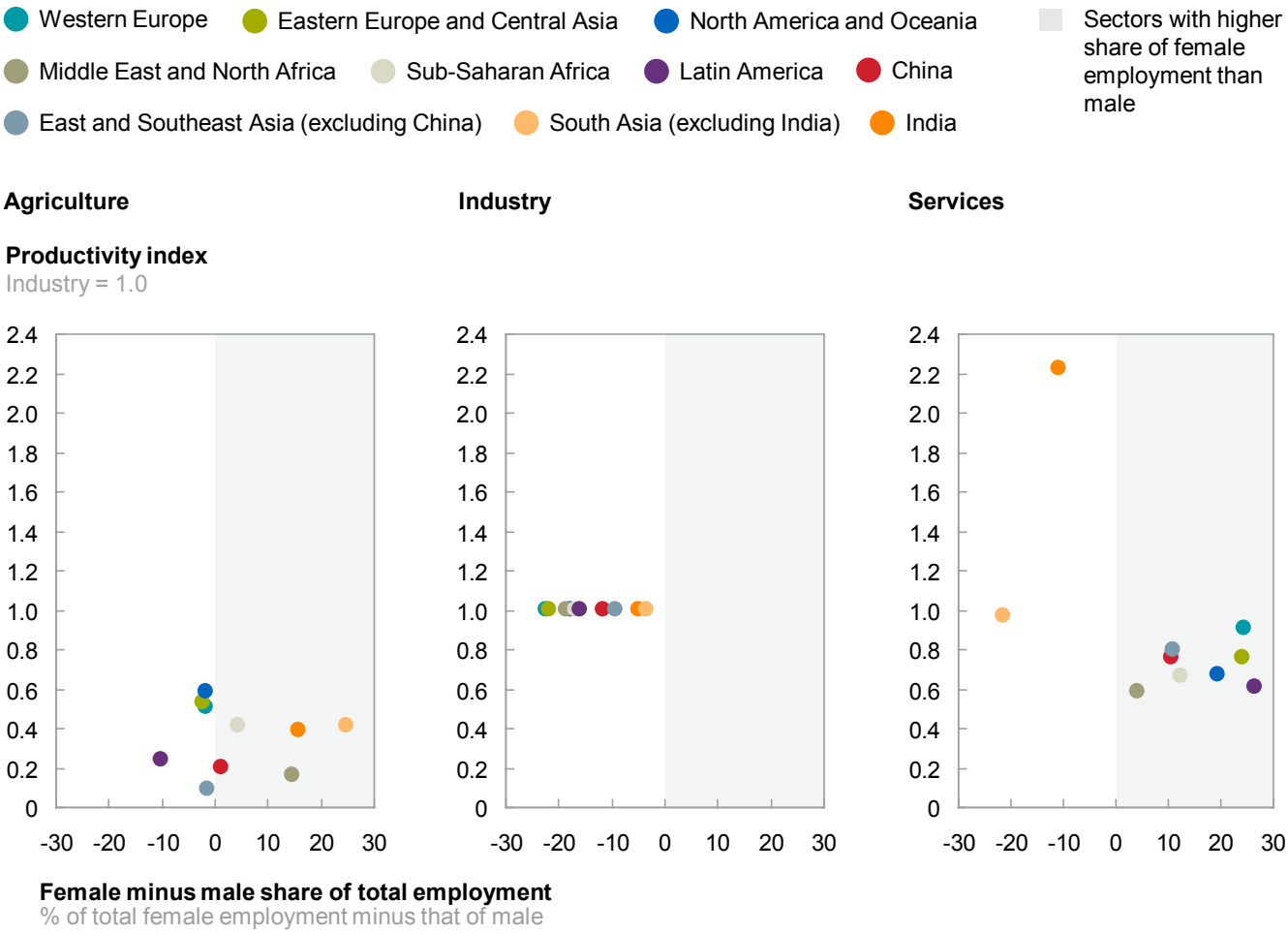
Three factors combine to lower the share of output produced by women. First, women do not participate in the labor force in the same numbers as men. They account for only 23 to 24 percent of the labor force in India and MENA. In Eastern Europe and Central Asia, where their representation is highest, they account for 47 percent of the labor force. Globally, women comprise about 40 percent of the labor force. Second, women work fewer hours than men since many are in part-time roles. Women work 80 percent as many hours as men in Western Europe, for example, although the numbers are as high as 92 to 96 percent in East and Southeast Asia (excluding China), China, and Eastern Europe and Central Asia. Third, women in many countries are disproportionately represented in lower-productivity sectors (accounted for by their GDP contribution per worker) such as education, health care, and agriculture (Exhibits 2 and 3). For instance, the share of female agricultural workers is 16 percentage points higher than that of men in India, and 25 percentage points higher in South Asia (excluding India).

Even once they move out of agriculture, women tend to go into service sectors rather than industrial sectors that often have the highest average productivity. In all regions, the share of women employed in industry is less than it is for men; women in Western Europe and Eastern Europe and Central Asia have gaps of greater than 20 percentage points. Women who do work in industry tend to be concentrated in higher-productivity manufacturing roles rather than low-value-added construction jobs.

Women tend to be more concentrated in jobs in service sectors than men in all regions except for South Asia, including India. Within services, women's share of employment is skewed toward health care, education, and hospitality rather than business services or communications. The fact that women in many societies continue to gravitate toward traditionally female-dominated roles such as teachers and nurses is not limiting in itself, but it points to less explored and more difficult pathways to alternative and potentially higher-paying opportunities in business. Some researchers attribute much of the wage gap between men and women to their concentration in particular industries and roles. One study found that occupational and industrial differences explain almost 50 percent of the wage gap in the United States.[26]

Exhibit 2

A smaller share of women than men are employed in high-productivity industry, but a larger share than men are employed in moderate-productivity services



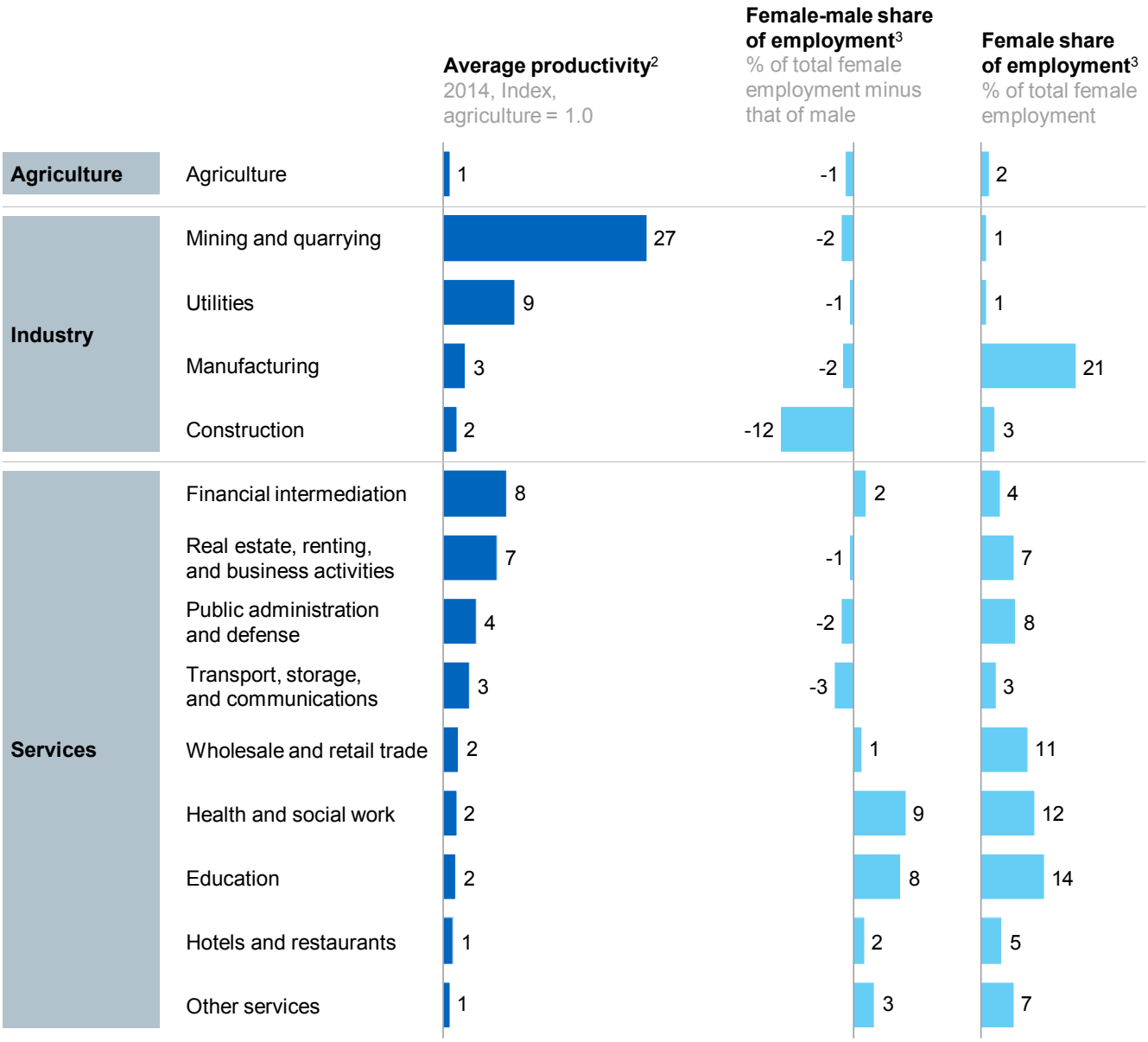
SOURCE: ILO; IHS; McKinsey Global Institute analysis

[26] Francine D. Blau and Lawrence M. Kahn, "The gender pay gap," *The Economists' Voice*, volume 4, issue 4, June 2007.

Exhibit 3

Globally, women are concentrated in low-productivity sectors

Analysis based on 17-country sample[1]



1 Australia, Brazil, Canada, China, France, Germany, Italy, Japan, Mexico, Netherlands, Russia, Saudi Arabia, South Korea, Spain, Sweden, Turkey, United States.
2 Simple average.
3 Weighted average.

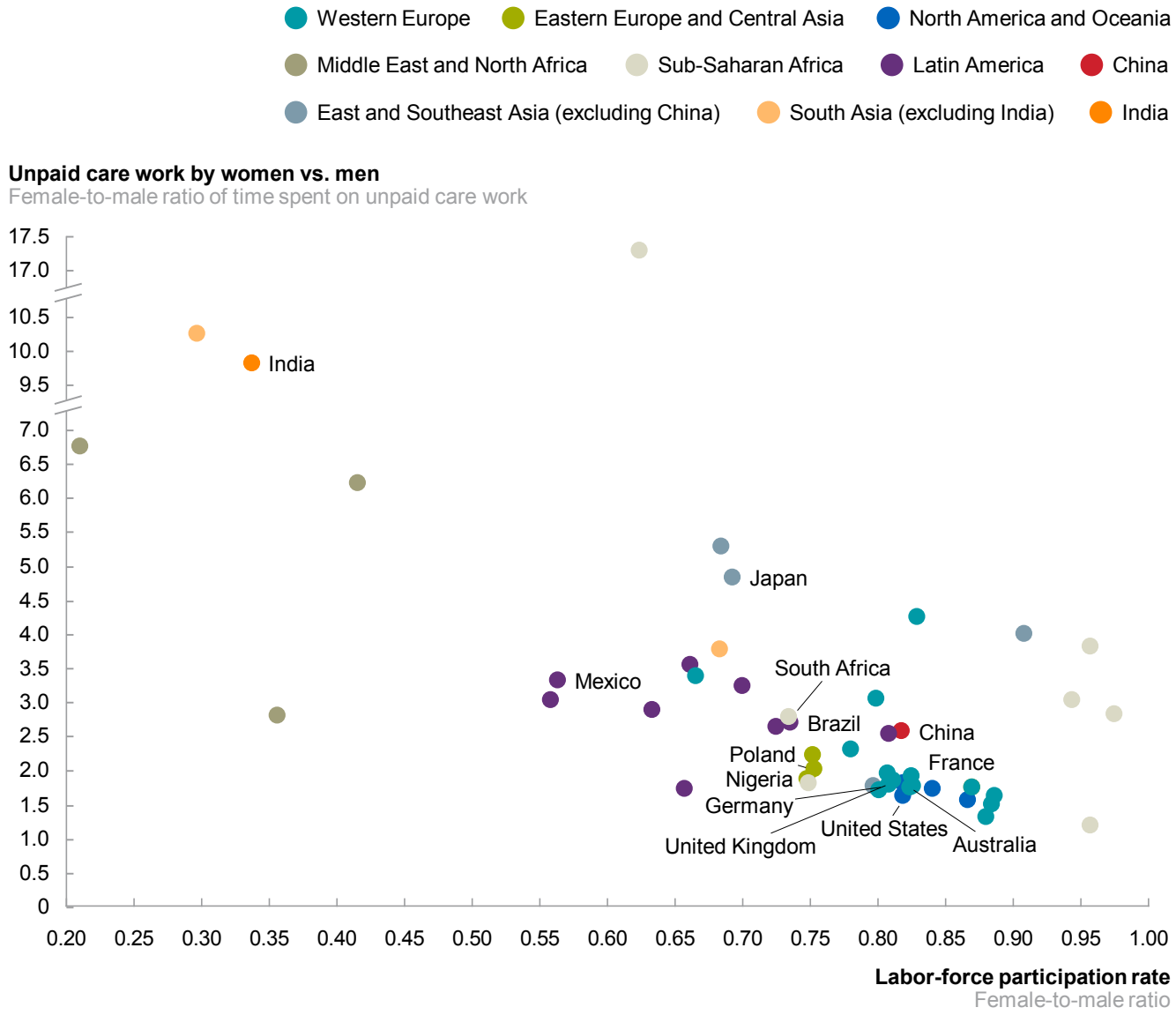
SOURCE: World Input-Output Database; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

AN ADDITIONAL $10 TRILLION OF VALUE—OR 13 PERCENT OF CURRENT GLOBAL GDP—IS CREATED BY WOMEN BUT NOT ACCOUNTED FOR AS ECONOMIC OUTPUT

Beyond engaging in labor markets in ways that add to GDP, a large part of women's labor goes into unpaid work that is not accounted for as GDP. Women do an average of 75 percent of the world's total unpaid care work, including the vital tasks that keep households functioning, such as child care, caring for the elderly, cooking, and cleaning. In some regions, such as South Asia (including India) and MENA, women are estimated to undertake as much as 80 to 90 percent of unpaid care work. Even in Western Europe and North America, their share is high at 60 to 70 percent. Time spent in unpaid care work has a strong negative correlation with labor-force participation rates, and the unequal sharing of household responsibilities is a significant barrier to enhancing the role of women in the world economy (Exhibit 4).

Exhibit 4

Women spend more time than men in unpaid care work, but the gap narrows as female participation rises vs. men



SOURCE: OECD; ILO; McKinsey Global Institute analysis

Unpaid care work by women equal to at least

13%

of global GDP

Applying conservative estimates based on available data on minimum wages, the unpaid care work of women could be valued at $10 trillion of output per year—an amount that is roughly equivalent to 13 percent of global GDP. In the United States alone, the value of unpaid care work carried out by women is about $1.5 trillion a year. However, this value does not translate into wage-earning opportunities for women. We recognize that some portion of such work may be voluntarily and willingly done by women, but some of it may be undertaken despite women's preferring to be employed in paid, market-based work. The latter category of involuntary unpaid care work could be eliminated, converted into paid jobs (for men or women), or shared more equitably between men and women. [27]

In understanding the economic impact of narrowing the gender gap in unpaid care work, it should be noted that substituting non-market work with market-based work—for instance, by a caregiver being employed and earning a wage instead of engaging in unpaid care work—would increase GDP. This is because the GDP measure does not assign a monetary value to the contribution of household production, but does give a value to market-based production. Similarly, more equitable sharing of such work among men and women, as well as productivity-enhancing inputs such as infrastructure and automation, could result in higher GDP if the time saved by women was used to engage in paid work. But narrowing gender gaps in unpaid care work could have positive second-order effects beyond increasing GDP. For instance, women who reduce the time they spend on unpaid domestic work could have greater financial independence. This could be true both for highly skilled women who would then be free to pursue professional growth and for other women who could pursue wage-earning opportunities in the domestic work sector. In addition, the rise in female labor-force participation associated with narrowing gaps in unpaid care work can also induce intergenerational benefits. In one study of 24 countries, daughters of working mothers were more likely to be employed, have higher earnings, and hold supervisory roles than daughters of mothers who did not work outside the home.[28] We discuss the implications of reducing unpaid care work for vital care-giving functions further in Chapter 2.

FULLY CLOSING GENDER GAPS IN WORK WOULD ADD UP TO $28 TRILLION IN ANNUAL GDP IN 2025, WHILE ACHIEVING "BEST-IN-REGION" RATES OF PROGRESS WOULD ADD $12 TRILLION

In a business-as-usual scenario that assumes that all labor-market parameters followed consensus forecasts and historical trends, we estimate that women's 37 percent current contribution to global GDP would remain roughly the same in 2025 (see Box 1, "Modeling the current and potential output of the world's women," for a discussion of the methodology behind this number, and the appendix for more detail on the specific assumptions used). In this scenario, women would continue to make up about 40 percent of the world's labor force in 2025, and their concentration in part-time work would also hold steady. Constant labor-force participation rates are in line with the trend over the past ten years, and analyses of hours worked show that the ratio of male-to-female hours worked has remained constant or changed very slowly in the vast majority of countries. While the overall share of non-agricultural jobs would grow in most economies, women would continue to be disproportionally represented in agriculture in the emerging world. They would also remain more concentrated in services and lower-productivity sectors than men.

[27] Rania Antonopoulos, *The unpaid care work–paid work connection*, International Labour Organisation working paper number 427404, May 2009.

[28] Kathleen L. McGinn, Mayra Ruiz Castro, and Elizabeth Long Lingo, *Mums the word! Cross-national effects of maternal employment on gender inequalities at work and at home*, Harvard Business School working paper 15-094, June 2015.

Box 1. Modeling the current and potential output of the world's women

Several studies have estimated the potential economic value that could be created by enhancing the role of women in the workforce. Most have examined the question by analyzing the impact of bridging the full labor-force participation gap between men and women, and have found it could boost GDP by anywhere from 5 to 20 percent for most countries. Cuberes and Teignier also estimate the impact of achieving gender parity in entrepreneurship positions. In 55 of the 61 countries that their analysis has in common with ours, this increases GDP by 4 to 8 percent.[1] Other studies have used econometric models to estimate the economic impact of various other gender inequalities, such as educational gaps.[2] A recent study by the International Monetary Fund (IMF) finds a correlation between labor-force participation and the legal rights of women, which is significant even when accounting for levels of education and fertility.[3]

MGI's research is a more comprehensive attempt to estimate the size of the global economic potential available from closing the gender gap in employment. We assess 95 countries that are home to 93 percent of the world's female population and generate 97 percent of world GDP. We take into account labor-force participation rates by gender and age cohorts within each country, the prevalence of part-time vs. full-time work among men and women, and employment patterns for men and women across sectors of the economy (see the appendix for more detail). MGI's more comprehensive lens results in a larger estimate of potential value of gender parity in work—about twice as high, on average, as the potential that other studies have suggested—for a comparative set of countries.

Specifically, the model projects the first-order effects of bridging the gap in labor-force participation rates of women vs. men in the 15–24, 25–54, and 55-plus age groups; hours worked by women relative to men; the sector mix of employment for men and women (down to the level of 14 subsectors); and the output and productivity growth expected for these sectors. This approach is primarily a sizing of the impact from bridging the gap in labor markets. It does not take into account other economic benefits of bridging the gender gap, such as the impact from increased diversity in entrepreneurship or the intergenerational benefits that come from better-educated and healthier women raising families.

We modeled three scenarios that run through 2025. The first is a business-as-usual scenario based on consensus forecasts for GDP growth combined with historical trends for labor supply, sector mix, and hours worked by gender. The second is a full-potential scenario that describes the GDP opportunity from achieving complete gender parity for each country on labor-force participation rates, hours worked by women relative to men, and the sector distribution of employment. The third is a best-in-region scenario that describes the GDP opportunity for each country if it were to bridge these gender gaps at the same rate as the fastest-improving country in its regional peer group.

For the purpose of these estimates, we assume the same labor productivity for men and women within each subsector—that is, we do not account for productivity differences due to the roles men and women play within companies, the size of firms that employ men and women, any variation in agricultural productivity due to the size of male vs. female farm holdings, and so on. We also exclude any second-order impact from the increased participation of women, including increased consumption by women, any negative impact on male labor-force participation due to increased female participation, and any drag on productivity due to increased labor supply. Lastly, our approach models the labor supply to help establish a GDP aspiration from increased participation of women; we do not take into account demand-side factors that could influence the ability to create jobs to absorb additional female workers.

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1 Kevin Daly, *Gender inequality, growth, and global ageing*, Goldman Sachs Global Economics paper number 154, April 2007; David Cuberes and Marc Teignier, *Gender gaps in the labor market and aggregate productivity*, Sheffield Economic Research paper number 2012017, June 2012; and O. Thévenon et al., *Effects of reducing gender gaps in education and labour force participation on economic growth in the OECD*, OECD Social, Employment and Migration working paper number 138, December 2012.

2 See, for instance, David Dollar and Roberta Gatti, *Gender inequality, income and growth: Are good times good for women?* World Bank Policy Research Report on Gender and Development working paper number 1, May 1999.

3 Christian Gonzales, Sonali Jain-Chandra, Kalpana Kochhar, and Monique Newiak, *Fair play: More equal laws boost female labor-force participation*, IMF staff discussion note number 15/02, February 2015.

Our full-potential scenario is a thought experiment that considers a world in which women participate in the market economy to an identical extent as men—erasing the current gaps in labor-participation rates, hours worked, and representation within each sector. We estimate that fully bridging the gender gap in this way could produce up to $28 trillion of additional global economic output annually in 2025, boosting GDP by 26 percent over the business-as-usual projection for that year. This represents the maximum potential value at stake from closing the gender gap—and it is equivalent to the size of the current US and Chinese economies combined. It corresponds to 2.2 percentage points of incremental GDP growth each year relative to a business-as-usual scenario.

While full gender parity is an aspiration worth setting, the complex and multifaceted issues that affect women's participation in work mean that this is likely a distant goal. We therefore also considered the degree of progress that countries have actually achieved in the past decade. We picked the fastest-improving country in a given region on labor-force participation, hours worked, the share of employment in agriculture, and the rate of change in relative productivity due to shifts in the distribution of employment of men and women in the 14 sectors we examined. We then analyzed the results that could be achieved if all countries within each region match the rate of change empirically observed in the fastest-improving country.[29] For example, countries in Western Europe would close the difference between female and male labor-force participation rate by 1.5 percentage points per year (for those between the ages of 25 and 54, or prime working age) in line with the experience of Spain.[30] Countries in Latin America would do so at Chile's annual rate of 1.9 percentage points, while countries in East and Southeast Asia would do so at Singapore's rate of 1.1 percentage points per year.

If all countries were to bridge the economic gender gap at the same rate observed in their best-performing regional peers, the world could realize as much as $12 trillion of incremental annual GDP in 2025, or 1.0 percentage point of incremental GDP growth each year relative to a business-as-usual scenario. This represents a potential doubling of the likely growth in GDP contributed by female workers between 2014 and 2025 as seen in the business-as-usual case (Exhibit 5).

At a global level, increasing labor-force participation by women drives more than half (54 percent) of the economic impact in the full-potential scenario. The rest comes equally from bridging the gap between men and women in terms of hours worked (23 percent) and shifting women to higher-productivity sectors (23 percent). The latter accelerates the structural shift of economies from agriculture to industry and services, and toward more value-added work.[31]

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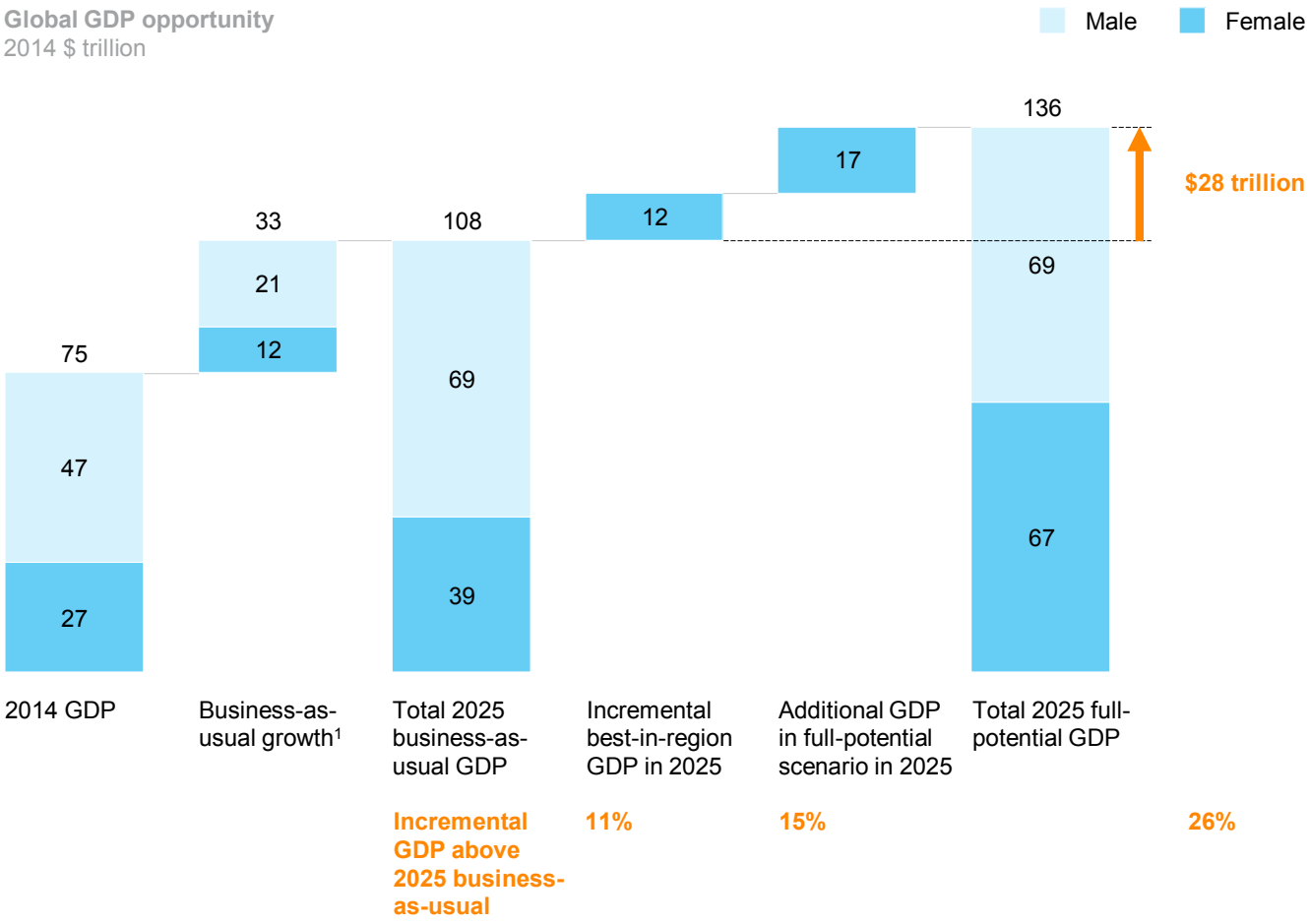
[29] Due to the limited availability of data, the best-in-region assumption for hours worked uses the historical performance in Norway as the benchmark for all countries.

[30] The bridging of the gap in Spain was primarily a consequence of rising female labor-force participation. Between 2003 and 2013, labor-force participation among men of prime working age in Spain stayed roughly the same, rising slightly from 92.4 to 92.5 percent, while that for females rose from 66.3 to 81.3 percent, an increase of 1.5 percentage points a year. This period also saw rising unemployment among both men and women. The rate of male unemployment increased from 8.3 to 26 percent, while female unemployment rose from 16.2 to 27.3 percent. However, the share of women among all employed individuals grew from 38 to 45 percent, implying that the gender gap in employment narrowed over this period.

[31] All our scenarios of GDP potential assume there will be sufficient demand for labor, or job opportunities, to meet increased supply. Our scenarios also assume that the gap between men and women in hours worked is bridged by women raising the number of hours they work, not by men reducing the hours they work. The latter scenario would result in lower GDP impact, though it may have positive implications for utility from leisure and overall well-being, if such a reduction in hours worked was a voluntary one.

Exhibit 5

Closing the global gender gap could deliver $12 trillion to $28 trillion of additional GDP in 2025



1 Represents difference between annual GDP in 2014 and in 2025 for the business-as-usual scenario.
NOTE: Numbers may not sum due to rounding.

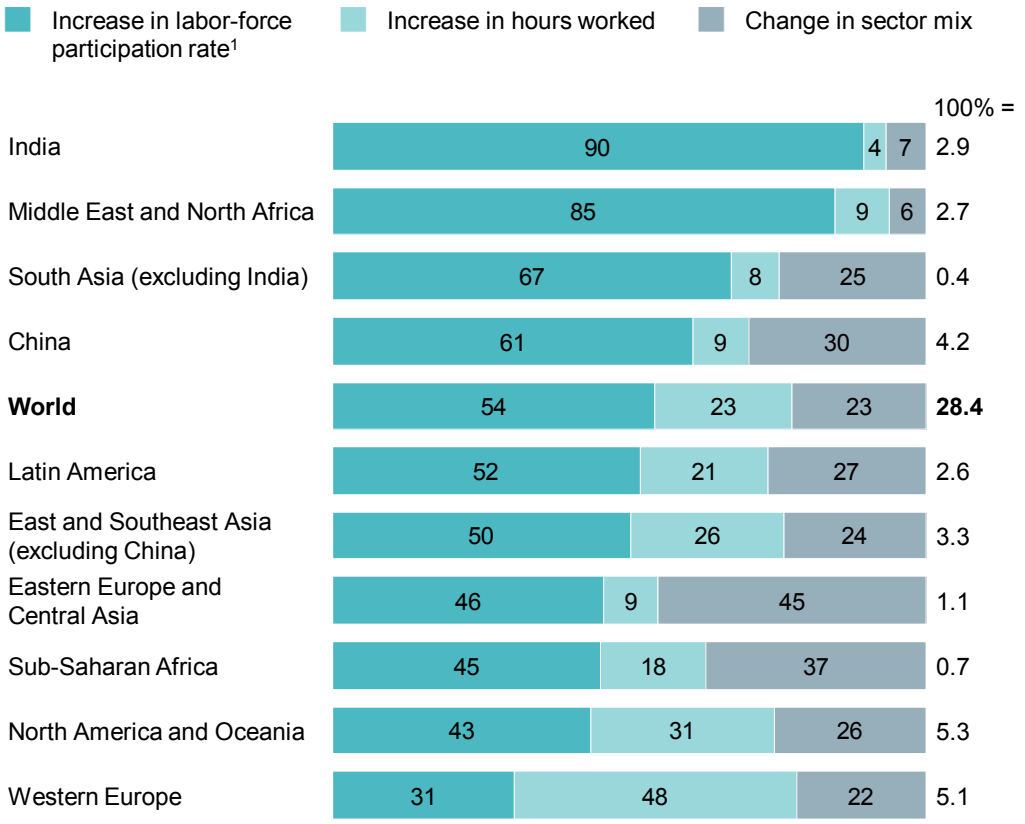
SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

The contribution from these drivers varies among regions (Exhibit 6). In India and in MENA, for example, boosting female labor-force participation would contribute as much as 90 and 85 percent, respectively, of the total additional economic impact. In sub-Saharan Africa and in Eastern Europe and Central Asia, where women already participate in large numbers, about 40 to 45 percent of the potential increase in output could come from shifting women into higher-productivity sectors. In Western Europe, some 50 percent of the full-potential impact would come from closing the gap between men and women in part-time work. In North America and Oceania, approximately 30 percent of the impact would come from this source, and a substantial 43 percent from raising participation rates to match those of men.

Exhibit 6

Drivers of additional GDP vary among regions

Incremental 2025 GDP in the full-potential scenario compared with the business-as-usual scenario
%; $ trillion


Increase in labor-force participation rate[1]
Increase in hours worked
Change in sector mix
100% =
India 90 4 7 2.9
Middle East and North Africa 85 9 6 2.7
South Asia (excluding India) 67 8 25 0.4
China 61 9 30 4.2
World 54 23 23 28.4
Latin America 52 21 27 2.6
East and Southeast Asia (excluding China) 50 26 24 3.3
Eastern Europe and Central Asia 46 9 45 1.1
Sub-Saharan Africa 45 18 37 0.7
North America and Oceania 43 31 26 5.3
Western Europe 31 48 22 5.1

1 Includes impact of change in unemployment rate for women in the full-potential scenario.
NOTE: Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

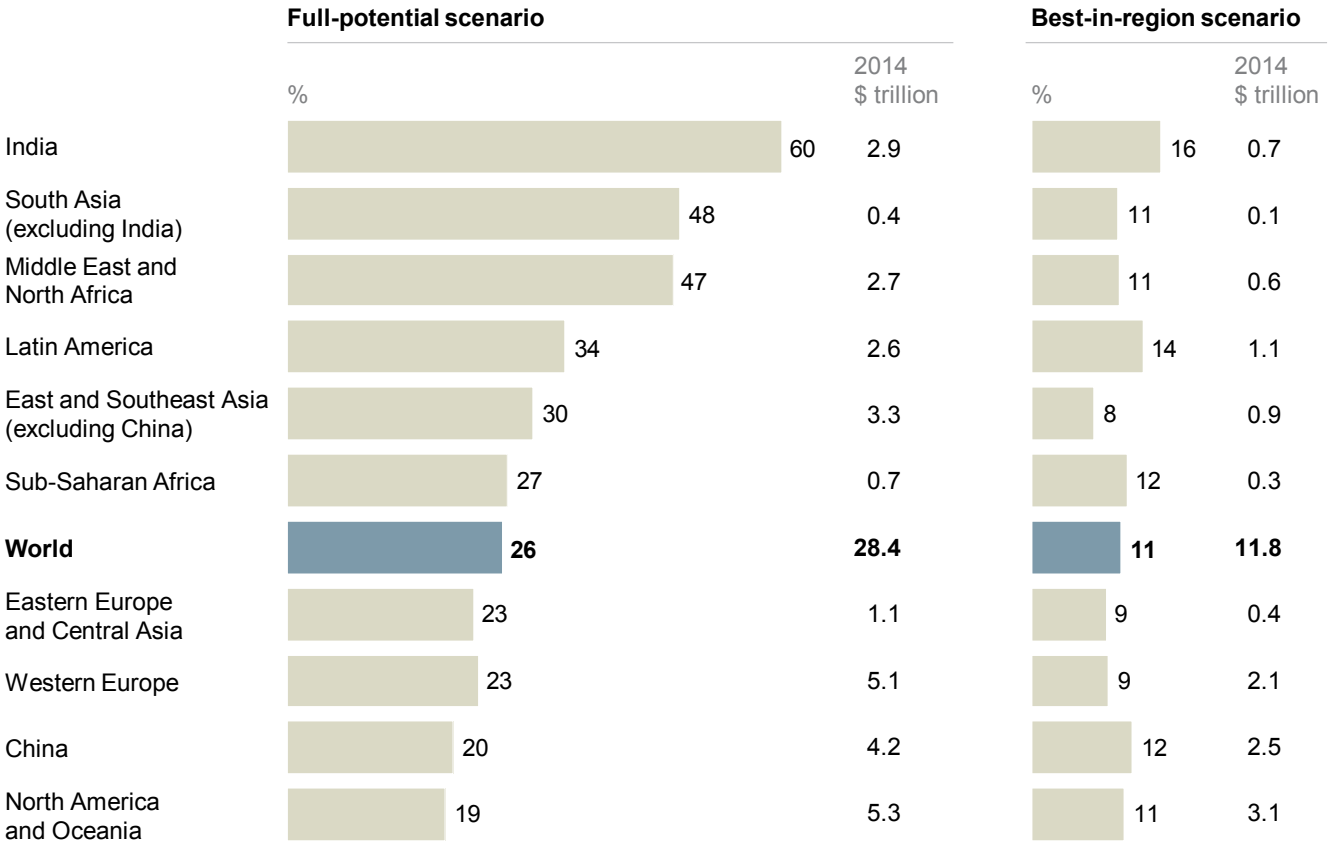
The economic opportunity for both advanced and emerging economies is substantial

The full-potential scenario would increase annual GDP in 2025 by more than 20 percent over a business-as-usual case for 74 of the 95 countries analyzed. The highest potential boost could be in India at 60 percent (Exhibit 7). The rest of South Asia and MENA also have a significant opportunity at 48 percent and 47 percent, respectively. Advanced economies that have already made significant progress in reducing gender inequality could also achieve a significant economic boost from closing the gender gap. For instance, Western Europe could increase annual GDP by 23 percent, and North America and Oceania by 19 percent.

Exhibit 7

All regions have a substantial incremental GDP opportunity from bridging the gender gap

Global GDP opportunity, 2025
Incremental 2025 GDP to 2025 business-as-usual scenario



NOTE: Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

The best-in-region scenario sees all regions adding at least 8 percent in incremental GDP in 2025 over a business-as-usual case. In 46 of the 95 countries analyzed, the impact could be more than 10 percent. Our model shows the following effects:

- India and Latin America have the highest relative potential gains in the best-in-region scenario. In this scenario, the 2025 GDP of these regions would be higher by 16 and 14 percent, respectively, over the business-as-usual scenario.

- The best-in-region scenario implies an increase in annual GDP in 2025 of 11 percent in MENA and South Asia (excluding India). Many countries in these regions—such as Algeria, Egypt, Iran, Morocco, Oman, Pakistan, Saudi Arabia, and Yemen—have some of the lowest rates of female labor-force participation in the world. In absolute terms, MENA and South Asia (excluding India) could realize $600 billion and $100 billion in potential annual impact, respectively.

- The best-in-region scenario implies a $2.5 trillion, or 12 percent, increase in annual GDP for China in 2025. In East and Southeast Asia (excluding China), it could lift GDP by 8 percent over the business-as-usual scenario, adding $900 billion in additional annual output in 2025.

- Sub-Saharan Africa has an opportunity to add 12 percent, or an estimated $300 billion, to annual GDP in 2025 in the best-in-region scenario. The impact would range from 6 percent in Zimbabwe to 17 percent in the Democratic Republic of Congo.

- In Eastern Europe and Central Asia, equalizing female and male labor-market activity at best-in-region rates could add 9 percent to annual GDP in 2025 compared with a business-as-usual scenario. The biggest opportunities in the region are found in Poland, Romania, and the Slovak Republic, each of which can attain an approximately 11 percent increase over our business-as-usual scenario.

- Among advanced economies, the best-in-region scenario could result in an increase in annual GDP of 9 percent over the business-as-usual scenario in Western Europe and gains of 11 percent in North America and Oceania. Even in France, the United Kingdom, and the United States, where there has already been substantial progress in issues of gender equality, the upside of the full-potential scenario is 10 percent to 12 percent in 2025. These regions also have among the most to gain on an absolute basis: $2.1 trillion in annual output for Western Europe, and $3.1 trillion in North America and Oceania.

FOR WOMEN TO BE MORE EQUAL PLAYERS IN THE LABOR MARKET, BARRIERS TO JOB CREATION NEED TO FALL

The full-potential scenario represents the maximum economic opportunity that countries stand to gain from women matching the participation rates of men in the workforce. It projects an average global female labor-force participation rate of 95 percent for women of prime working age—in a narrow range across rich, middle-income, and poor countries. But in reality, the labor-force participation of prime-working-age women follows a distinct U-shaped curve when plotted against per capita GDP.

Female participation rates tend to be high at low stages of economic development. For the poor, the consequence of either a man or a woman missing a day's work is that the household goes hungry. Participation rates dip in middle-income countries and rise again in more advanced economies. Apart from being influenced by cultural barriers and personal preferences, households weigh the opportunity cost of women working against a variety of other factors, including the costs of caring for children and the elderly, and the impact on children from both parents working. As households cross progressive thresholds of financial security, living standards, and material aspiration, these trade-offs evolve. Ultimately, female participation increases relative to male participation as the gap between male and female earning opportunities narrows and infrastructural support for household work improves.

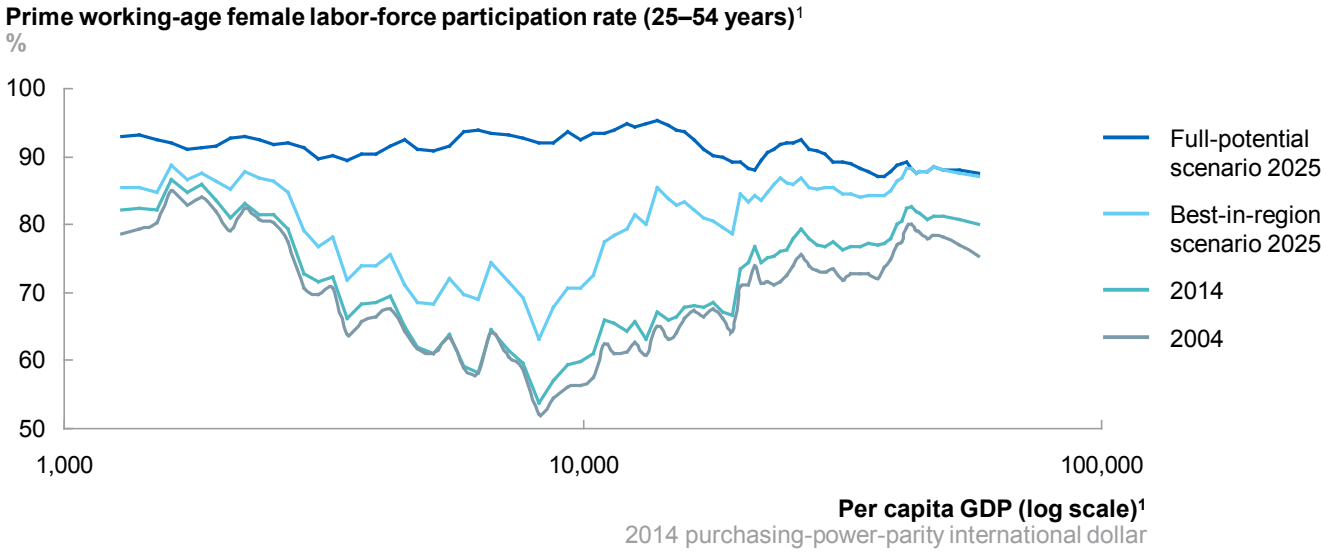
The best-in-region scenario assumes that every country achieves the rate of increase in labor-market participation of the fastest-improving country in its region. The projection in this scenario follows the U-shaped curve relationship between the participation of women of prime working age and per capita GDP (Exhibit 8). For most countries, this means that participation rates remain well below the highest levels seen in advanced economies (that is, the 85 to 90 percent participation rates of Denmark, Norway, and Sweden, for example). Yet this scenario projects a significant upward movement in the curve, reflecting higher shifts than the aggregate shifts most countries have achieved in the past. The average global labor-force participation rate for prime-age female workers in this scenario is 74 percent (compared with 95 percent in the full-potential scenario and 64 percent in the business-as usual scenario).

Achieving best-in-region rates of progress can have a particularly positive effect on countries with aging populations. Many of these economies face the prospect of slowing GDP growth due to a shrinking labor force as the share of population over the age of 55 grows. Increasing female participation can help mitigate this effect. In Russia, for example,

our analysis indicates that the labor force is projected to shrink from 76 million in 2014 to 71 million in 2025, a trend primarily driven by aging. Best-in-region progress would produce a smaller decline, to 74 million. In Germany, this scenario would help to maintain the 2025 labor force at about 43 million, as opposed to the current trajectory that is heading toward 41 million. In Japan, we expect the labor force to shrink from 65 million in 2014 to 63 million by 2025, but in the best-in-region scenario, this would be 64 million.

Exhibit 8

Female labor-force participation rises in the best-in-region scenario but maintains a U-shaped curve with per capita GDP



1 Calculated using ten-data-point rolling average, excluding seven high-income Middle East and North Africa countries.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical agencies; McKinsey Global Growth Model; McKinsey Global Institute analysis

The best-in-region scenario implies a formidable increase in aggregate demand for labor in many economies. The participation of more women may, of course, result in more men opting out of the workforce, but this has not been a major trend in the past. According to International Labour Organisation data from 1950 to 2000, for example, labor-force participation for prime-working-age women in the United States increased from 36 to 76 percent (a rise of 40 percentage points), while the rate for men stayed roughly constant at 88 percent.

We also compared data on prime-working-age male and female labor-participation rates from the International Labour Organisation between 1980 and 2010 for a set of 60 countries (spanning all regions except China, and Eastern Europe and Central Asia, where both male and female workforces were affected by structural adjustment away from state economies during this period). Between 1980 and 2010, in 60 countries, the female prime-working-age labor-force participation rate rose by 19.7 percentage points (based on a simple average), while the corresponding male labor-force participation rate fell by 1.5 percentage points. In 40 of the 60 countries, the female prime-working-age labor-force participation rate rose by 21.8 percentage points (based on a simple average), while the corresponding male labor-force participation rate fell by 2.6 percentage points. Therefore, the gains from higher female participation were negated to a small extent. In 17 other countries, where the female labor-force participation rate rose by 17.6 percentage points over the period based on a simple average, the male labor-force participation rate actually rose by 0.6 percentage points.

Based on this analysis, our study assumes that male participation does not dip in response to higher female entry into the workforce. In the best-in-region scenario, this suggests that some 240 million incremental jobs would need to be created between 2014 and 2025 to absorb the women entering the workforce, a substantial increase in job creation over the business-as-usual scenario (see the appendix for details). Some 73 million of these jobs would be needed in India and its neighbors in South Asia. But even richer economies will need to step up their rates of job creation. Western Europe would need to generate 10 million jobs, while North American and Oceania would need to add 15 million.

The best-in-region scenario also assumes a movement of more women into industry and service sectors, accelerating the shift in output away from agriculture into more value-added activities such as agribusiness, manufacturing, trade, financial and business services, and health care. The scenario depends on adding 77 million jobs in industry and 184 million jobs in services sectors globally over the business-as-usual scenario. This would narrow the productivity gap between women and men from 13 percentage points to three percentage points within a decade as the shift in the world's labor force out of agriculture, where more women workers are concentrated, and into industry and services is accelerated. The share of global employment in agriculture would shrink by a further 2.0 percentage points over the 5.6 percentage point decline likely in the business-as-usual scenario, with larger shifts in sub-Saharan Africa and South Asia (excluding India). Globally, we estimate that the agricultural productivity growth rate would need to increase from 4.4 percent per year to 4.9 percent to maintain a global share of agricultural GDP of about 4.5 percent in 2025.[32]

Achieving this scenario would also require investment to support the additional workers—both productivity-boosting investment in the agricultural sector that is shedding workers and job-creating investment in the industrial and services sectors that would need to absorb additional labor. For example, MGI estimates that incremental investment required in 2025 could be $3 trillion, or roughly 11 percent higher than in the business-as-usual scenario.[33] Beyond capital to support additional jobs, investment would be needed to close gender gaps in health, education, and other services to enable women to participate more fully in the formal economy. For this scenario to materialize, governments need to take a hard look at the barriers inhibiting productive job creation and human capital formation—not just for women, but for their overall economies.[34]

•••

Closing the global gender gap offers potential economic benefits that we estimate could double the contribution of women to global GDP growth. Achieving this will require action to bridge gender gaps of many kinds and lowering of barriers to investment and productive job creation. However, gender parity in work will not be possible without addressing gender gaps in women's position in society. In the next chapter, we offer a wider view that explores both social and work aspects of gender equality.

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[32] Raising agricultural productivity is possible through multiple levers, from precision farming and agricultural extension services to building farming know-how and skills to investment in irrigation, mechanization, and infrastructure to get produce from farms to markets and prevent food waste. For estimates of the opportunity to boost global land, water, and energy productivity in the farming sector through a range of levers, see *Resource revolution: Meeting the world's energy, materials, food, and water needs*, McKinsey Global Institute, November 2011. For an assessment of the potential to raise agricultural productivity in the context of small farms in developing countries, see *From poverty to empowerment: India's imperative for jobs, growth and effective basic services*, McKinsey Global Institute, February 2014.

[33] Calculated based on historical trend analysis of the relationship between investment and GDP for each region, using data from IHS.

[34] Several MGI country studies have discussed measures that can stimulate investment and job creation for inclusive growth. See MGI's reports on Africa, Brazil, Europe, India, and Nigeria, all downloadable free at **www.mckinsey.com/mgi**. Also see *Global growth: Can productivity save the day in an aging world?* McKinsey Global Institute, January 2015.

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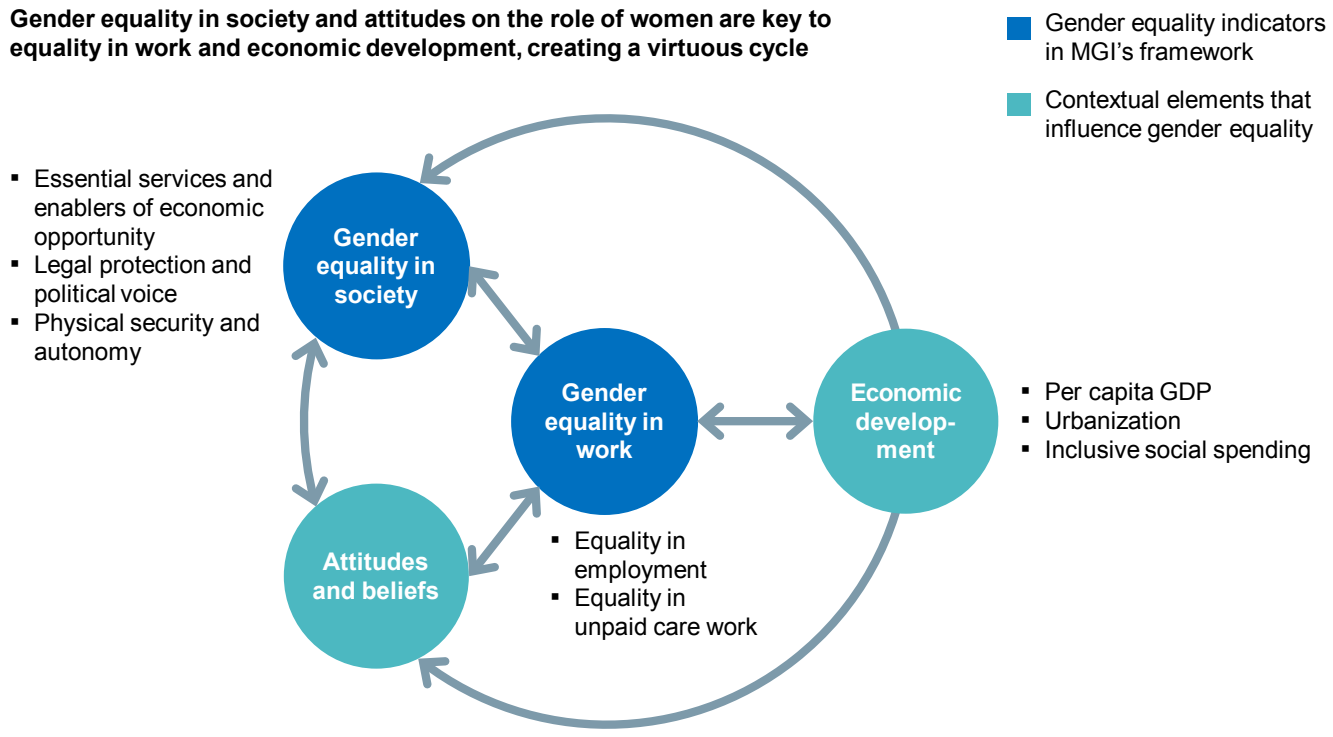
2. THREE PREREQUISITES FOR EQUALITY IN WORK

Enabling the equal status of girls and women in schools, health services, financial systems, legal institutions, and—perhaps most importantly—families is essential to capturing the economic potential of women. Doing so can could lead to a more gender-equal world for the generations to come.

In this chapter, we discuss MGI's new framework for mapping the gender inequality landscape, which spans economic, social, legal, political, and physical aspects. The wide lens we adopt helps us provide—arguably for the first time—a robust analytical measure using global data of the link between gender equality in work and gender equality in society. Three elements need to be addressed to close the global gender gap: moving toward equality in society, economic development, and a shift in attitudes (Exhibit 9). Women need to be equal partners in society for them to be equal participants in work. The economic benefits that come from equality in work can then create momentum toward a further narrowing of gender gaps, provided countries use the dividend of higher growth to boost investment in inclusive social spending and urbanization.

Exhibit 9

Gender equality in society and attitudes on the role of women are key to equality in work and economic development, creating a virtuous cycle


Gender equality indicators in MGI's framework
Contextual elements that influence gender equality
Essential services and enablers of economic opportunity
Legal protection and political voice
Physical security and autonomy
Gender equality in society
Gender equality in work
Economic develop-ment
Attitudes and beliefs
Equality in employment
Equality in unpaid care work
Per capita GDP
Urbanization
Inclusive social spending

SOURCE: McKinsey Global Institute analysis

MGI'S GENDER EQUALITY FRAMEWORK GOES BEYOND EQUALITY IN WORK TO INCLUDE THE BROADER DIMENSIONS THAT UNDERLIE IT

In Chapter 1, we discussed the magnitude of the gender divide in the global labor force, but this economic phenomenon is only part of a larger divide that affects society. Consider that more than one million girls are not born each year due to sex-selective abortion and that two-thirds of the world's illiterate adults are women. It is therefore important that any analysis of gender inequality and how to tackle it includes both work and social aspects.

15
gender equality indicators in 4 groups in MGI framework

MGI's gender equality framework has four main dimensions and 15 specific indicators (see Exhibit 10 and Box 2, "MGI's methodology for assessing global gender equality gaps"). These indicators fall into four main groups:

- **Gender equality in work**, including the ability of women to find employment and be compensated fairly for it, share unpaid care work equitably, have the skills and opportunity to perform higher-productivity jobs, and occupy leadership positions
- **Essential services and enablers of economic opportunity**, such as health care, education, and financial and digital services that are also vital enablers of social progress
- **Legal protection and political voice**, including the right to work, access institutions, inherit assets, be protected from violence, and have the opportunity to participate actively in political life
- **Physical security and autonomy**, or the right of women to safety from bodily harm.

The first aspect—gender equality in work—may be driven by the choices men and women make about the lives they lead and the work they do. The next three aspects relate to gender equality in society, fundamental to ensuring that women (and men) have the resources and ability to live a life of their own making; they are crucial to achieving progress on the first aspect as well as being intrinsically important for humanitarian and moral reasons. Here, we focus on their relationship with achieving gender equality in work to highlight the strong economic case for change.

Exhibit 10

MGI uses a holistic framework of 15 outcome-based indicators to assess global gender equality

		Gender equality indicators	
Gender equality In work	**Gender equality in work** Women and men are equal players in the labor markets	**Labor-force participation rate**	Female-to-male ratio of labor-force participation rate
		Professional and technical jobs	Female-to-male ratio of representation in professional and technical jobs
		Perceived wage gap for similar work	Female-to-male ratio of wages for similar work
		Leadership positions	Female-to-male ratio of representation in leadership positions
		Unpaid care work	Male-to-female ratio of time spent on unpaid care work
Gender equality in society	**Essential services and enablers of economic opportunity** Women and men have equal opportunity to build human capital and progress	**Unmet need for family planning**	Percent of married or in-union women aged 15–49 who want to stop or delay childbearing but are not using contraception
		Maternal mortality	Maternal deaths per 100,000 live births
		Education level	Female-to-male composite ratio of adult literacy rate, secondary education enrollment rate, and tertiary education enrollment rate[1]
		Financial inclusion	Female-to-male composite ratio of the rate of account holders at a financial institution, rate of borrowing, and mobile banking rates[1]
		Digital inclusion	Female-to-male composite ratio of the rate of Internet and mobile users[2]
	Legal protection and political voice Women and men have equal right to self-determination	**Legal protection**	Composite index of the extent of protection to women by different legal provisions (e.g., right to inherit, access to jobs)[3]
		Political representation	Female-to-male composite ratio of representation in parliamentary and ministerial positions[2]
	Physical security and autonomy Women have a right to be safe from bodily harm	**Sex ratio at birth**	Male-to-female ratio of births
		Child marriage	Percent of girls and young women aged 15–19 who are married
		Violence against women	Percent of women who have experienced physical and/or sexual violence from an intimate partner at some time in their lives

1 Composite indicator of three indicators.
2 Composite indicator of two indicators.
3 Composite indicator of 11 indicators.

SOURCE: McKinsey Global Institute analysis

Box 2. MGI's methodology for assessing global gender equality gaps

As in the case of our estimate of the size of the economic potential in Chapter 1, MGI assessed 95 countries for gender equality and the 15 indicators for which data were available for all, or a large proportion, of the 95.

To ensure that our framework covered all key aspects of gender inequality, MGI reviewed a range of global charters and statements of principle, including the Convention on the Elimination of All Forms of Discrimination Against Women adopted by the UN General Assembly in 1979, the reaffirmation by the 1994 International Conference on Population and Development in Cairo of the relationship between advancement and fulfillment of rights and gender equality and equity, the restatement of a commitment to gender equality in the Beijing Declaration at the Fourth World Conference on Women in 1995, and the Millennium Development Goals of 2000. We also compared our indicators with the Sustainable Development Goals framed for adoption in 2015 and ensured (to the extent data are currently available) that our metrics covered key aspects of gender equality that are highlighted in the goals. We also looked at a few other areas that are not highlighted in the Sustainable Development Goals, including the sex ratio at birth and the share of women in professional and technical jobs.

Our indicators focus on the measurement of numerical outcomes that enable us to make an objective assessment of a country's performance on gender equality. Researchers have debated whether gender equality should be measured as equality of opportunity or equality of outcomes.[1] Those arguing for the former believe that assessing gender on the basis of equality of opportunity allows the distinguishing of factors outside an individual's control as opposed to those dictated by personal preferences or choice. The latter group, arguing for assessing gender equality based on equality of outcomes, believes that differences in preferences and attitudes are not inherent but reflect the internalization of social norms that unequally distribute power and resources—although arguably true equality of opportunity would imply lack of discrimination in social norms, and therefore differences in outcomes would, in fact, be shaped purely by freedom of personal choice.

In our analysis of gender equality, we have tried to consider both aspects, using several objective measures of gender equality outcomes to identify gaps and priority areas of focus, but also, in parallel, seeking to understand underlying attitudes and behavior related to gender that could impede the ability of women to exercise choice and take advantage of their opportunities. Unfortunately, globally comparable data on attitudes are scarcer than those on gender inequality outcomes. For this reason, we did not incorporate these aspects into our assessment of the current state of gender inequality, but instead used available data to draw inferences about potential root causes and solutions.

Our indicators typically measure the difference between the position of men and women (for example, how male labor-force participation compares with that of women). For indicators that apply only to women (such as maternal mortality) or where women tend to be more adversely affected (such as child marriage or intimate-partner violence, an indicator we use to represent violence against women in its many forms), the absolute level reached by women is used (see the appendix for more detail).

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[1] See, for instance, *World development report 2012: Gender equality and development*, World Bank, September 2011, and Alison J. Booth and Patrick J. Nolen, *Choosing to compete: How different are girls and boys?* IZA discussion paper number 4027, February 2009.

ECONOMIC DEVELOPMENT SUPPORTS GENDER EQUALITY IN SOCIETY BUT IS NOT SUFFICIENT TO ACHIEVE THE ECONOMIC GAINS OF FULL EQUALITY

MGI used data on its 15 indicators to compare the status of countries on gender equality in work with their status on gender equality in society, enabling the first comparison of which we are aware of the interplay between the economic and social dimensions of the gender gap. To understand the linkages, we first analyzed the correlations among different gender equality indicators across 95 countries (Exhibit 11). We acknowledge that correlation is not the same as causation—in many cases the indicators may have mutually reinforcing rather than cause-and-effect relationships. Nevertheless, the correlation analysis is a useful tool for identifying potential areas of synergy and focus in the vast gender equality landscape.

Our correlation analysis reveals that per capita GDP and urbanization are strongly linked with virtually all aspects of gender equality in society, pointing to a virtuous cycle between gender equality in society and economic development.

Improvements in each of our indicators of gender equality in society can result in economic development through higher labor-force participation, greater labor productivity, or shifts in consumption patterns as women are empowered to exercise choice (Exhibit 12). Improvements in indicators of gender equality in society such as child marriage, unmet need for family planning, and maternal mortality help drive up the supply of labor. Closing the gender gap in education, financial inclusion, or legal protection can strengthen the incentives and ability of women to enter the workforce and undertake more productive types of work, thereby driving higher output for the economy as a whole.

The economic development yielded can, in turn, provide momentum to the further narrowing of gender gaps. Policies that use economic surplus to build human capital are an important part of the process. As countries climb the development ladder, two trends work in tandem: per capita incomes rise, and societies become more urban. Rising per capita GDP enables higher per capita public health and education expenditure and improved access to essential services such as family planning, maternal health, education, and digital inclusion, as well as legal provisions. Gender gaps on social dimensions tend to narrow as per capita spending on health and education rises, for example, as demonstrated by the high correlations of greater than 0.70 with indicators of gender equality in society with these types of spending.[35] A rising urbanization rate can also help close gender gaps, because cities tend to be more effective than rural areas at delivering essential services such as medical care, schools, and infrastructure. Women who are healthier, better educated, and more connected to the world tend to demand their rights, leading to improved legal protection and a greater degree of physical autonomy.

[35] As measured by correlation with MGI's gender equality in society Gender Parity Score, to be discussed later in this chapter.

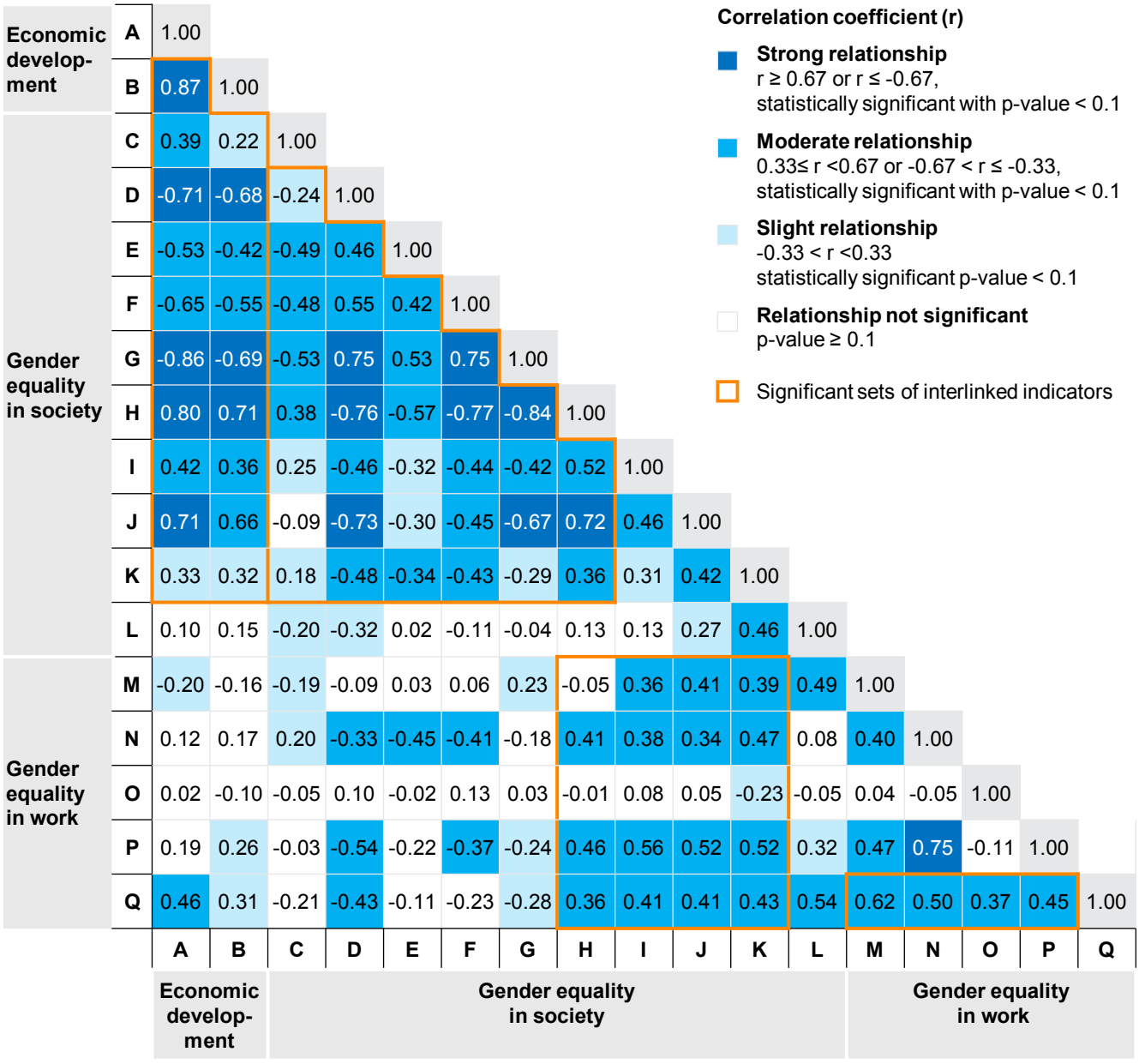
Exhibit 11

Gender equality in society is correlated with economic development, and gender equality in work with key social enablers and unpaid care work

Economic development
A. Per capita GDP[1]
B. Urbanization

Gender equality in society
C. Sex ratio at birth
D. Child marriage
E. Violence against women
F. Unmet need for family planning
G. Maternal mortality
H. Education level
I. Financial inclusion
J. Digital inclusion
K. Legal protection
L. Political representation

Gender equality in work
M. Labor-force participation rate
N. Professional and technical jobs
O. Perceived wage gap for similar work
P. Leadership positions
Q. Unpaid care work



1 Log of per capita GDP used for correlations.
NOTE: Extreme variables beyond +/- 2 standard deviations of mean were trimmed before calculating correlation. Correlation coefficient labels rounded to two decimal places. Color coding based on actual, not rounded, values.

SOURCE: McKinsey Global Institute analysis

Exhibit 12

How gender equality can lead to higher GDP growth

□ Gender equality in work

● Transmission mechanism to GDP

		GDP impact indicators[1]				
		Labor supply			Labor productivity	
Gender equality indicator	**How improvement in gender equality indicator can drive economic impact**	**Increase in female population**	**Increase in female labor-force participation rate**	**Increase in hours worked by women**	**Increase in labor quality of women (skills and education)**	**Increase in employment of women in high-productivity sectors, more value-added roles**
Labor-force participation rate	Larger labor force		●			
Professional and technical jobs	Lower skills mismatch				●	●
Perceived wage gap for similar work	Increase in opportunity cost of non-participation, more incentive to invest in education and work		●		●	●
Leadership positions	Better job quality and higher pay, incentive to engage in paid work rather than unpaid work or leisure		●		●	●
Unpaid care work	More ability to engage in paid work and take leadership roles requiring time and travel		●	●	●	●
Unmet need for family planning	Longer time spent in school for young girls, fewer working days lost due to pregnancy, longer periods between pregnancies		●	●	●	
Maternal mortality	Lives saved	●				
Education level	Higher labor-force participation rate, more access to skills and capital leading to productivity increase, lower skills mismatch		●		●	●
Financial inclusion	Higher labor-force participation rate, fewer low-productivity informal jobs, more access to capital and skills		●		●	●
Digital inclusion	Higher labor-force participation rate, fewer low-productivity informal jobs, more access to capital and skills		●		●	●
Legal protection	Broader access to jobs, more access to capital and skills		●	●	●	●
Political representation	Improved voice for women, potentially leading to fewer legal barriers, broader access to jobs, more access to capital and skills		●	●	●	●
Sex ratio at birth	Lives saved	●				
Child marriage	Greater likelihood of women completing education and participating in the labor force		●		●	
Violence against women	Fewer work days lost, greater willingness to do work currently considered less safe		●	●		

1 Besides direct effects, increased participation among women has second-order impacts on GDP, including increased consumption and savings due to higher incomes, intergenerational impact from improved health and education among children, and potentially higher productivity due to greater female entrepreneurship.

SOURCE: McKinsey Global Institute analysis

Unmet need for family planning fell from **12.7%** to **11.7%** globally, 2004–14

However, economic development alone is not sufficient for women to achieve their full potential in the time frame discussed in this research. For example, the global average maternal mortality rate decreased from 276 deaths per 100,000 live births in 1995 to 135 in 2013; at this rate of decline, however, the rate would still be as high as 84 deaths in 2025.[36] Similarly, the global average of unmet need for family planning fell only slightly, from 12.7 percent to 11.7 percent, between 2004 and 2014; at this rate, unmet need for family planning would still be 10.6 percent in 2025.[37] In addition, economic development does not have a decisive impact on many indicators of gender equality in society. For instance, while violence against women does tend to decrease as per capita GDP increases, it is still a global priority issue, as we discuss in Chapter 3. Even in the richest economies, women are not immune from violence. Political representation is also slower to respond to higher economic development. Political participation of women in the richest of the ten regions discussed in this research—North America and Oceania—is not much higher than in Latin America or sub-Saharan Africa (see Chapter 3 for further discussion).

The relationship between gender equality in work and economic development is even more nuanced. We discussed the U-shaped female labor-participation rate curve with per capita GDP in Chapter 1. In the poorest regions of the world, women tend to engage in paid work out of necessity. But, as incomes rise, households start to trade off the economic value of a woman participating in the labor force against the non-economic value derived from her being engaged in care or household work, and this appears to bear down on female labor participation. Once a certain household income and education threshold has been reached, female participation starts to track higher per capita GDP. Higher education, higher income parity, and better working conditions drive women to assume leadership roles on a par with men, and to move toward realizing their full economic potential.

Therefore, there is a need to identify specific strategies over and above the role played by economic development that accelerate progress toward gender equality in work and in society.

[36] Based on a weighted average across a 95-country sample using the female population in 2014.
[37] Ibid.

SPECIFIC ACTION IN FOUR PIVOTAL AREAS IS NECESSARY TO CLOSE THE GENDER GAP IN WORK

Based on the strong correlations that we have identified, we suggest that four areas are most promising for accelerating gender equality: education level, financial and digital inclusion (we consider these together as the delivery models for financing are closely tied with digital channels), legal protection, and unpaid care work. Apart from being closely linked to gender equality in work, they also lay the groundwork for improvements in health-care access, physical security, and political participation. Putting energy, effort, and resources into these four high-priority areas has a high likelihood of generating broad impact and social change. These can, in turn, drive a virtuous cycle of higher labor productivity, higher aspirations, and more social change.

Education level

Gender equality in educational attainment has a moderate correlation with three out of five equality in work indicators, and strong to moderate correlations with several indicators of gender equality in society.

In terms of work equality, the correlations reveal that women in countries with greater gender parity in education are more likely to work in professional and technical occupations, to assume leadership roles, and to share unpaid work with men. Other studies point to the link between education and skills training and women's labor-force participation, working in mutually reinforcing loops. In Bangladesh, for instance, studies suggest that education has played an important positive role in determining women's participation in the labor market.[38] In turn, the advent of manufacturing jobs in the garment sector, which require a degree of literacy and numeracy, has been linked with an increase in educational enrollment for girls and corresponding growth in labor-force participation among women.[39]

On the social side, narrower gender gaps in educational attainment are highly correlated with the status of girls and women in the family, for instance, as measured by the prevalence of child marriage and violence against women. This indicator is also highly correlated with indicators of reproductive and maternal health. Keeping girls in school creates a channel to reach them with other types of interventions such as educating them about their rights, their autonomy, and their health. Such initiatives have been central to making headway on issues such as child marriage, family planning, maternal health, and sex-selective abortion, all of which ultimately lead to economic benefits. Increased education has also been found to have intergenerational effects. A US study found that maternal education was linked to improved birth outcomes such as reduced instances of low-weight births and premature births. The authors found that education had an impact on mothers' smoking habits, reduced fertility rates, and boosted the likelihood that they would seek prenatal care in the first trimester.[40]

[38] Rushidan I. Rahman and Rizwanul Islam, *Female labour force participation in Bangladesh: Trends, drivers and barriers*, ILO Asia-Pacific working paper series, October 2013.

[39] Rachel Heath and A. Mushfiq Mobarak, *Manufacturing growth and the lives of Bangladeshi women*, NBER working paper number 20383, August 2014.

[40] Janet Currie and Enrico Moretti, "Mother's education and the intergenerational transmission of human capital: Evidence from college openings," *The Quarterly Journal of Economics*, volume 118, issue 4, 2003.

Financial and digital inclusion

Gender parity in access to the Internet, mobile phones, and financial services each shows moderate correlations with multiple gender equality indicators in work. In particular, access to the Internet and mobile phones, as well as financial inclusion, are especially linked to the presence of women in leadership roles, and time spent in unpaid care work. Both financial and digital inclusion are also closely related to the presence of women in the labor force, and in professional and technical jobs.

Our composite indicator of financial inclusion is composed of three elements: relative rates between women and men of holding accounts at financial institutions, access to credit from financial institutions, and access to mobile banking. Mobile banking has emerged as an important means to increase financial inclusion of women (and men) in developing countries. For example, according to data from the World Bank's Global Findex database, as many as 52 percent of women in Kenya, and 11 to 18 percent of women in Algeria, Angola, Tanzania, and Uganda, use mobile phones to send money.

As the global economy grows more digital and more interconnected, the Internet has become an essential tool for job searching, networking, conducting business, receiving and making payments for trade with buyers and suppliers, and receiving microcredit. Basic digital literacy is increasingly a required skill for many jobs—especially better-paying and more productive ones. It also opens new avenues for flexible and remote work that did not exist before; the new types of work opportunities being created by on-demand talent platforms can boost labor-force participation among women who have been out of the workforce altogether.[41] Nearly 60 percent of Indian Internet users report using the Internet to seek jobs, and 38 percent of Mexican users report using the Internet to gain additional income.[42]

Some 1.8 billion people went online from 2004 to 2013, but 4.4 billion remain offline, about three-quarters of them in 20 countries where 52 percent of those without access to the Internet are women.[43] Barriers to Internet adoption are higher for women, who are less likely to do paid work and do not always have control over how household income is spent—a factor that inhibits them from buying mobile phones or leads them to opt for basic phones without Internet features. Lack of 3G and 4G infrastructure inhibits Internet access, and even in countries where it exists in many public spaces, women may be more housebound due to family duties, safety concerns, or social mores. Above all, women's lower education attainment is a barrier to Internet adoption, particularly when handsets and services are poorly designed or use unfamiliar languages.

Technology is directly attacking many of these barriers. Smartphone costs are falling, and mobile coverage is expanding with the aid of new technologies. MGI estimates that more than 3.5 billion citizens in developing economies are expected to have Internet access by 2025—more than two billion of them via mobile services. If women share equally in this wave of expansion and adoption, the implications for their economic empowerment could be very significant.[44]

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41 *A labor market that works: Connecting talent with opportunity in the digital age*, McKinsey Global Institute, June 2015.

42 *Women and the Web: Bridging the Internet gap and creating new global opportunities in low and middle income countries*, Intel Corporation and Dalberg Global Development Advisors, January 2013.

43 *Offline and falling behind: Barriers to Internet adoption*, McKinsey Technology, Media, and Telecom Practice, September 2014.

44 *Disruptive technologies: Advances that will transform life, business, and the global economy*, McKinsey Global Institute, May 2013.

Legal protection

Legal provisions outlining and guaranteeing the rights of women as full members of society show a moderate correlation with four out of five work equality indicators and with several indicators of gender equality in society, including violence against women, child marriage, unmet need for family planning, and education. Other researchers have also highlighted the link between gender equality in legal provisions and increased labor-force participation among women.[45]

Our composite legal indicator is based on four elements using data from the World Bank.[46] These are: the existence of laws to protect women against domestic violence and sexual harassment; legal protection for women in accessing the judicial system; institutions that provide national or constitutional recognition, the right to inherit property, and laws that allow women the same access to job opportunities and equal pay for equal work; and laws that accord men and women similar rights in the case of unpaid care work (such as family leave). More than 10 percent of the countries in our data set do not have adequate laws relating to institutional rights and domestic violence, while more than half have no laws guaranteeing equal opportunities in getting a job or promoting more equitable sharing of unpaid work.

Unpaid care work

Most of the world's unpaid care work—such as household chores and taking care of children or elderly family members—falls to women. The amount of time they spend engaged in these tasks relative to men has a high correlation with female labor-force participation rates and a moderate correlation with their chances of assuming leadership positions and participating in professional and technical jobs.[47] Unpaid care work by women also shows a moderate correlation with education levels, financial and digital inclusion, and legal protection, suggesting that this type of social infrastructure may help to change attitudes about the division of household responsibilities and about women's worth and their right to find fulfillment outside the home. Addressing structural barriers to unpaid care work can help trigger fundamental changes in women's ability to participate and progress in the workforce (see Box 3, "Streamlining unpaid care work").

[45] Christian Gonzales, Sonali Jain-Chandra, Kalpana Kochhar, and Monique Newiak, *Fair play: More equal laws boost female labor force participation*, IMF staff discussion note number 15/02, February 2015.

[46] Women, Business and the Law database, World Bank.

[47] In McKinsey's Women Matter global surveys of male and female managers in Asia-Pacific, China, India, Europe, and North America, respondents were asked to prioritize the biggest challenges women leaders face. Across countries, the double burden of balancing work and domestic life was the barrier cited most often—by 45 percent of respondents in Asia-Pacific, 44 percent in China, 39 percent in India, 34 percent in Europe, and 31 percent in North America. Another oft-cited barrier was the "anytime-anywhere" work model that requires employees to be available at all times and geographically mobile. Other barriers cited in the surveys were a lack of specific company measures to recruit, retain, and promote women, and the absence of female role models. See McKinsey's Women Matter research at **www.mckinsey.com/features/women_matter**

Box 3. Streamlining unpaid care work

Data from 27 countries indicate that some 61 percent of unpaid care work (based on a simple average across countries) is routine household work, 14 percent involves taking care of household members, 11 percent is time spent on household purchases, and 10 percent is time spent on travel (Exhibit 13). Some, but not all, types of unpaid care work can be eliminated or converted into jobs, but some women (as well as men) may prefer to do the work themselves for non-economic reasons.

Some of the routine household work and travel time can be eliminated through better public services and greater automation.[1] For example, in developing countries, the time spent on household chores is increased by poor public infrastructure. Providing access to clean water in homes can reduce the time it takes to collect water, while electricity or solar power can eliminate the time spent hunting for firewood. Tools such as washing machines and kitchen appliances long ago lightened much of the drudgery associated with household work in higher-income countries, and millions of newly prosperous households in emerging economies are now adopting them, too. Innovations such as home-cleaning robots may one day make a leap forward in automating or streamlining many more tasks.

Other types of work are more intrinsic to the family unit. Many women may derive deep satisfaction from caring for their children and aging relatives, for instance, and the amount of time they choose to spend on these tasks may reflect personal choice. But some tasks could be converted to paying jobs, and some of the responsibility that now falls to women can be shared by men. In the United States, for example, labor-force participation by women of prime working age rose from 44 percent in 1965 to 74 percent in 2010.[2] Over this period, the time women spent on housework was cut almost in half, but the hours they spent on child care actually rose by 30 percent, reflecting evolving personal and familial choices. Both housework and child care became more equitably shared. Men's share of housework rose from 14 percent in 1965 to 38 percent in 2010, and their share of child care from 20 percent to 34 percent.

Family-leave policies and part-time employment options may help women balance care work with jobs and encourage women to make larger commitments to paid work. However, they may also create disincentives for employers to engage women and result in fewer women reaching higher-level positions.[3] However, good access to child-care services can facilitate female labor-force participation at no perceived cost or risk to the employer and have the added benefit of equalizing early childhood disadvantages that drive later income inequality. Universal publicly funded child care has been the focus of governments in some countries. Total public spending on child care and preschool is estimated to be greater than 1 percent of GDP in France and the Nordic countries, but 0.5 percent or less in Germany, Japan, and the United States.[4]

However, state-run child care need not be the only answer, as there is a risk that this could crowd out informal care arrangements and involve a significant increase in the net economic cost of child-care subsidies while providing limited capacity and incentives for innovation and service quality. The appropriate solution may be a combination of public subsidies with decentralized, market-driven models of child care.[5] Private-sector partners can be deployed in a variety of ways, from running a system funded by the government to being franchisees that working parents can pay using vouchers they receive from the government.

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1 See, for example, Gaëlle Ferrant, Luca Maria Pesando, and Keiko Nowacka, *Unpaid care work: The missing link in the analysis of gender gaps in labour outcomes*, OECD, December 2014; Sarah Bibler and Elaine Zuckerman, *The care connection: The World Bank and women's unpaid care work in select sub-Saharan African countries*, UNU-WIDER working paper number 2013/131, November 2013; and Nadeem Ilahi and Franque Grimard, "Public infrastructure and private costs: Water supply and time allocation of women in rural Pakistan," *Economic Development and Cultural Change*, volume 49, number 1, October 2000.

2 Suzanne M. Bianchi et al., "Housework: Who did, does or will do it, and how much does it matter?" *Social Forces*, volume 91, number 1, September 2012.

3 Francine D. Blau and Lawrence M. Kahn, *Female labor supply: Why is the US falling behind?* IZA discussion paper number 7140, January 2013.

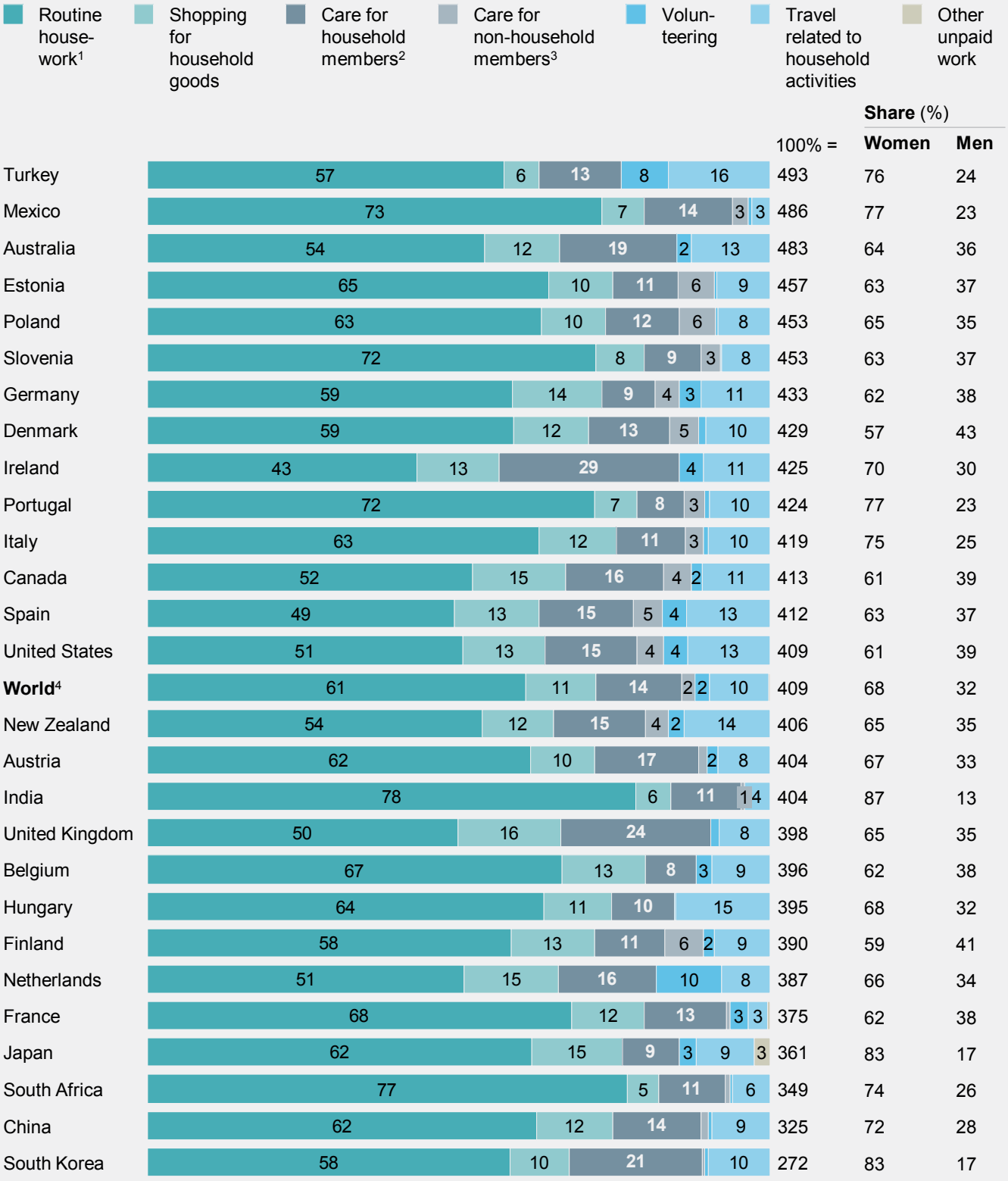
4 OECD social expenditure database, 2013, based on 2011 data.

5 See Martin Eckhoff Andresen and Tarjei Havnes, *Women and children first? Labor market effects of universal child care for toddlers*, University of Oslo, October 2014, and Tarjei Havnes and Magne Mogstad, *Money for nothing? Universal child care and maternal employment*, IZA discussion paper number 4504, October 2009.

Exhibit 13

Routine housework makes up the greatest proportion of all countries' unpaid care work

%; minutes spent daily on unpaid care work, male and female adults age 15–64



1 Housework defined as cooking, cleaning, laundry, gardening, pet care, home maintenance, etc. For additional methodological notes, please refer to the OECD Gender Data Portal.
2 Typically includes care for individuals living in the household.
3 Typically includes care for individuals not living in the household.
4 Based on simple average.
NOTE: For legibility, labels <2 not shown. Numbers may not sum due to rounding.

SOURCE: OECD Gender Data Portal 2014; McKinsey Global Institute analysis

MOVING FORWARD ON GENDER EQUALITY IN SOCIETY IS ESSENTIAL IF COUNTRIES ARE TO ACHIEVE THE FULL ECONOMIC POTENTIAL OF WOMEN

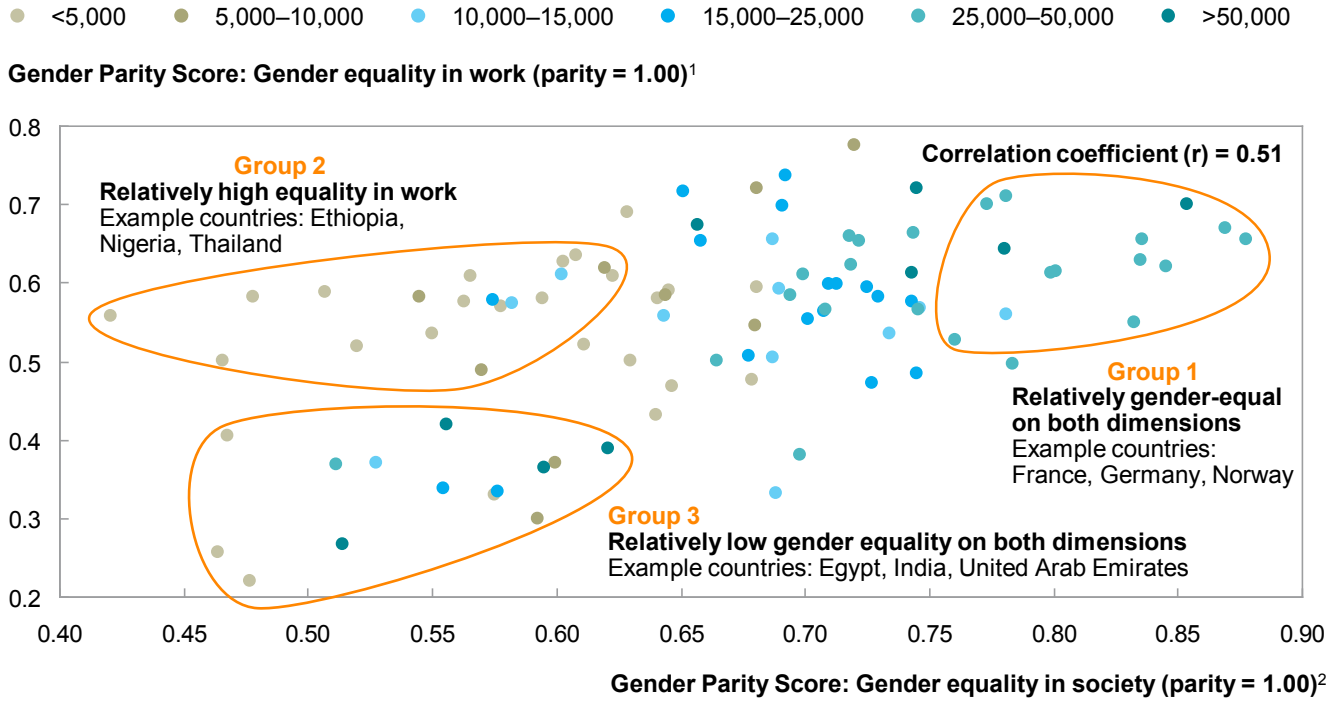
Our correlation analysis establishes that crucial elements of gender equality in society are linked to gender equality in work. To measure how far each country is from gender equality on these dimensions, MGI calculated a Gender Parity Score (GPS) using the 15 indicators. We discuss the GPS in detail in Chapter 3. However, to summarize, it weights each indicator equally and calculates an aggregate measure of how close women are to gender parity in each of the 95 countries, where a GPS of 1.00 indicates parity. We calculate the GPS at a country level using all indicators but also subgroups of indicators, particularly those relating to gender equality in work and those relating to gender equality in society.

First, to assess the relationships between actual gender equality outcomes on social and work dimensions, we mapped each country's GPS on equality in work against its GPS for gender equality in society (Exhibit 14). Broadly speaking, gender equality in society and in work are closely linked in most countries; an increase in one goes hand in hand with an increase in the other. While absolute scores on equality in society tend to be higher than those of equality in work for most countries, we found virtually no countries with high equality on social indicators but low equality in terms of employment and labor markets. This suggests that gender equality in society is a powerful driver or determinant of gender equality in work.

Exhibit 14

Gender equality in society is linked with gender equality in work

Per capita GDP levels, 2014 purchasing-power-parity international dollar



1 Labor-force participation rate, professional and technical jobs, perceived wage gap for similar work, leadership positions, unpaid care work.
2 Essential services and enablers of economic opportunity, legal protection and political voice, physical security and autonomy.

SOURCE: McKinsey Global Institute analysis

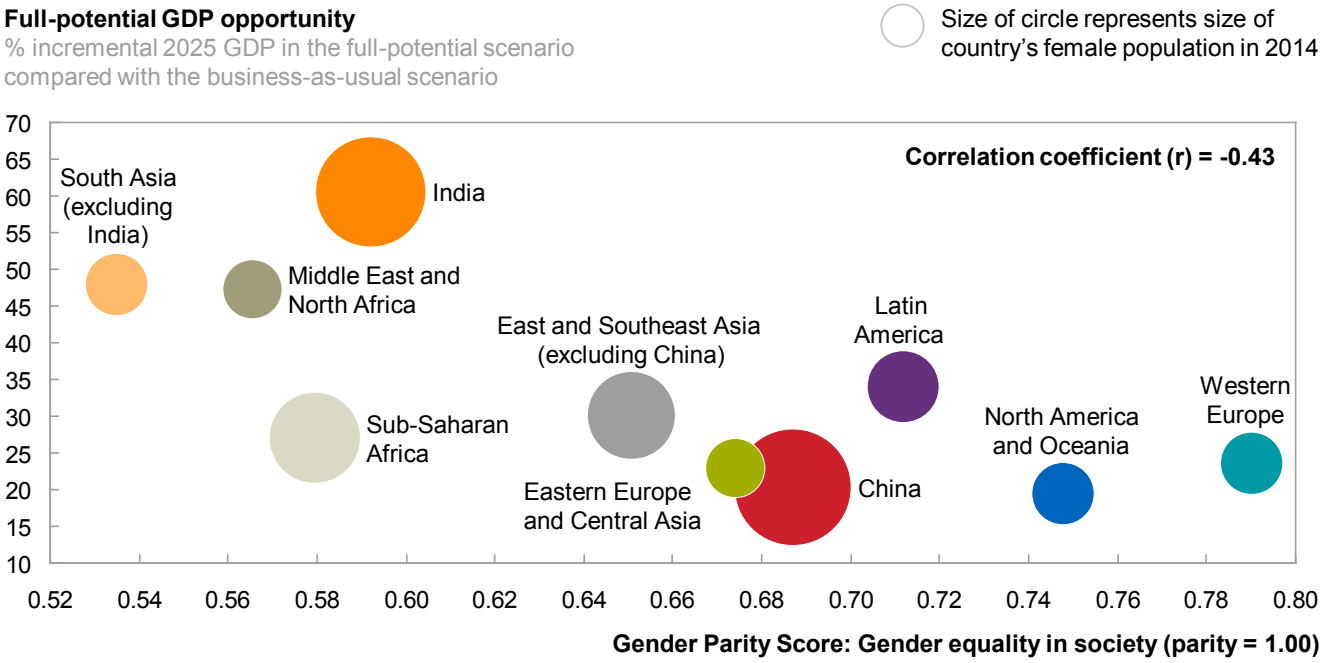
In this mapping, countries in Group 1 are relatively gender-equal on both dimensions, although even they have scope to improve equality in society and in work. Countries in Group 2 appear to have achieved relatively high gender equality in work as women's participation in the labor force is high, but many women in these countries are employed in

near-subsistence or low-value-adding jobs, as we discussed in Chapter 1. These countries typically have lower per capita GDP levels, indicating the imperative to work to meet basic needs. They lack the foundations of gender equality in society such as parity in access to health care, education, financial services, and digital technology that need to be in place to raise women's productivity and make them leaders in the economy on a par with men. In these countries, the challenge is helping women break out of the low-income trap by making it possible for them to acquire skills and creating better-quality jobs. Countries in Group 3 are characterized by low gender equality in both work and society. Apart from poor access to essential services in some countries and limited legal rights in others, cultural norms may also constrain the roles available to women (see the next section for further discussion).

Finally, we used the GPS methodology to compare the link between current levels of countries' gender inequality in society with their full-potential economic opportunity described in Chapter 1. We found that regions with the largest gaps in gender equality in society have the largest economic opportunity (Exhibit 15). Ultimately the degree to which the full-potential case is achieved by each country is at least partly a matter of making social choices to address broad gender gaps and undertaking the hard work of shifting attitudes that may be deeply ingrained.

Exhibit 15

Regions with low gender equality in society can reap the highest potential economic gains from bridging the gender gap



SOURCE: McKinsey Global Institute analysis

SHIFTS IN DEEP-ROOTED ATTITUDES ARE NECESSARY TO ADDRESS GENDER INEQUALITY AT WORK

Even relatively equal societies still have significant gender gaps. Attitudes among both men and women play a strong role in influencing the status of women in work and in society. For example, demographic and health surveys find that women believe that arguing with their husbands, refusing to have sex, burning food, or going out without telling the husband are all justifiable reasons for domestic violence.[48]

[48] Sunita Kishor and Kiersten Johnson, *Profiling domestic violence: A multi-country study*, Measure DHS+, June 2004.

MGI has analyzed the World Values Survey and OECD data and found a strong link between attitudes that limit women's potential and actual gender equality outcomes in a given region (Exhibit 16).

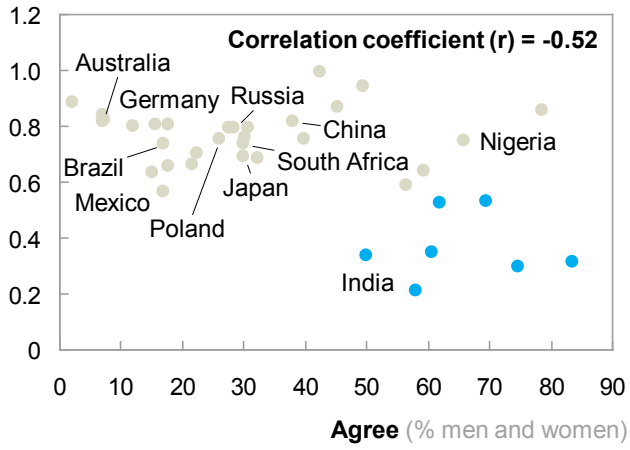
Exhibit 16

Attitudes influence gender equality outcomes

● South Asia (including India) and Middle East & North Africa ● Other regions

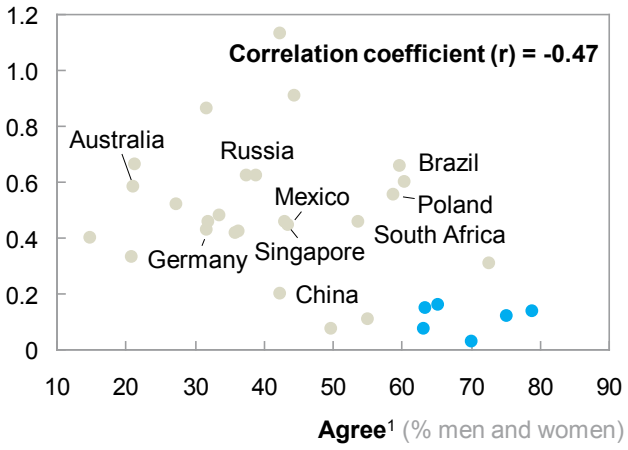
"When jobs are scarce, men should have more right to a job than women"
n = 37

Labor-force participation rate
Female-to-male ratio



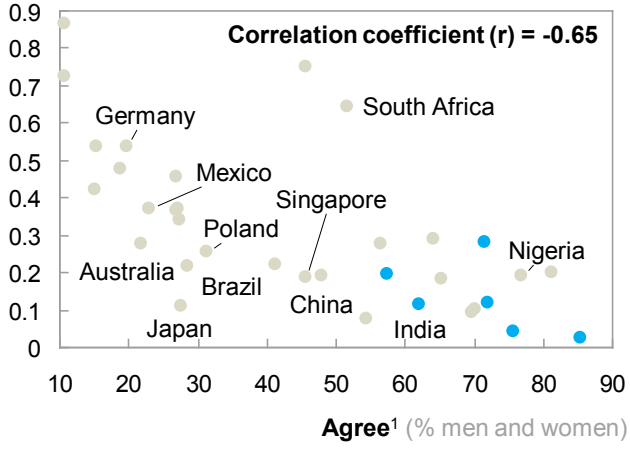
"When a mother works for pay, the children suffer"
n = 31

Leadership positions
Female-to-male ratio



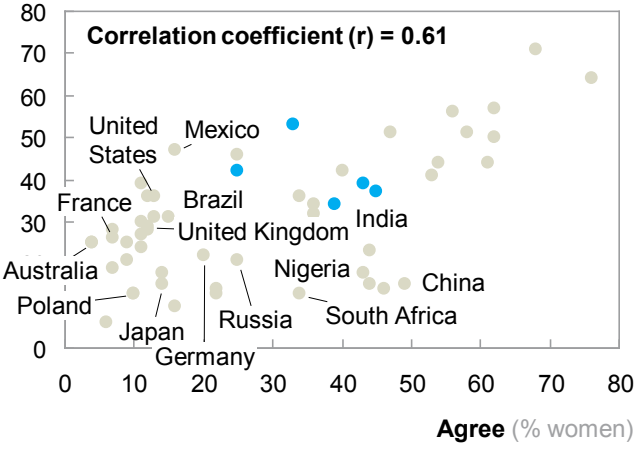
"On the whole, men make better political leaders than women do"
n = 34

Political representation, composite
Female-to-male ratio



"A husband/partner is justified in beating his wife/ partner under certain circumstances"
n = 57

Violence against women
% of women who have experienced intimate-partner violence at some time in their lives



1 Possible answers to this question included "Strongly agree," "Agree," "Disagree," "Strongly disagree," and "Don't know." Percentage on the X axis includes responses for "Strongly agree" and "Agree."

SOURCE: World Values Survey; OECD Gender, Institutions and Development Database 2014; McKinsey Global Institute analysis

16%
of survey respondents in developed countries said men have more right to a job than women when jobs are scarce

For instance, the survey asked respondents, both men and women, whether they agreed with the following statements: "When jobs are scarce, men should have more right to a job than women" and "When a mother works for pay, the children suffer." We examined the responses against outcomes related to work equality and found strong correlations with both. More than half of the respondents in South Asia and MENA agreed with both statements—and these regions have some of the world's lowest rates of women's labor-force participation. Even in countries with higher women's participation, these beliefs persist. In a sample of nine developed countries in the survey—Australia, Germany, Japan, the Netherlands, New Zealand, Singapore, South Korea, Spain, and Sweden—29 percent of respondents (based on a simple average) agreed with the statement that "when a mother works for pay, the children suffer" and 16 percent agreed with the statement "when jobs are scarce, men should have more right to a job than women."

•••

Closing gaps in gender equality in society, enabling women to be more equal partners in the economy, and shifting attitudes are all formidable tasks. It is vital that as much as possible is understood about the gender inequality landscape so that policy makers, businesses, and communities can prioritize action. In the next chapter, we offer a more detailed view of where the gender equality gaps lie across 95 countries.

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3. MAPPING THE GAPS

Despite the huge economic potential that could come from addressing gender inequality around the world, and the many high-level and grass-roots initiatives that have taken place, the fact is that this remains a persistent problem. One of the key challenges is developing a deep understanding of where the critical issues are in order to drive focused and effective action. In this chapter, we describe ten impact zones of gender inequality that account for more than 75 percent of the world's women affected, zones that might be considered priorities for action in the years ahead. We also offer a detailed view of the distance countries have traveled toward gender parity using MGI's new Gender Parity Score.

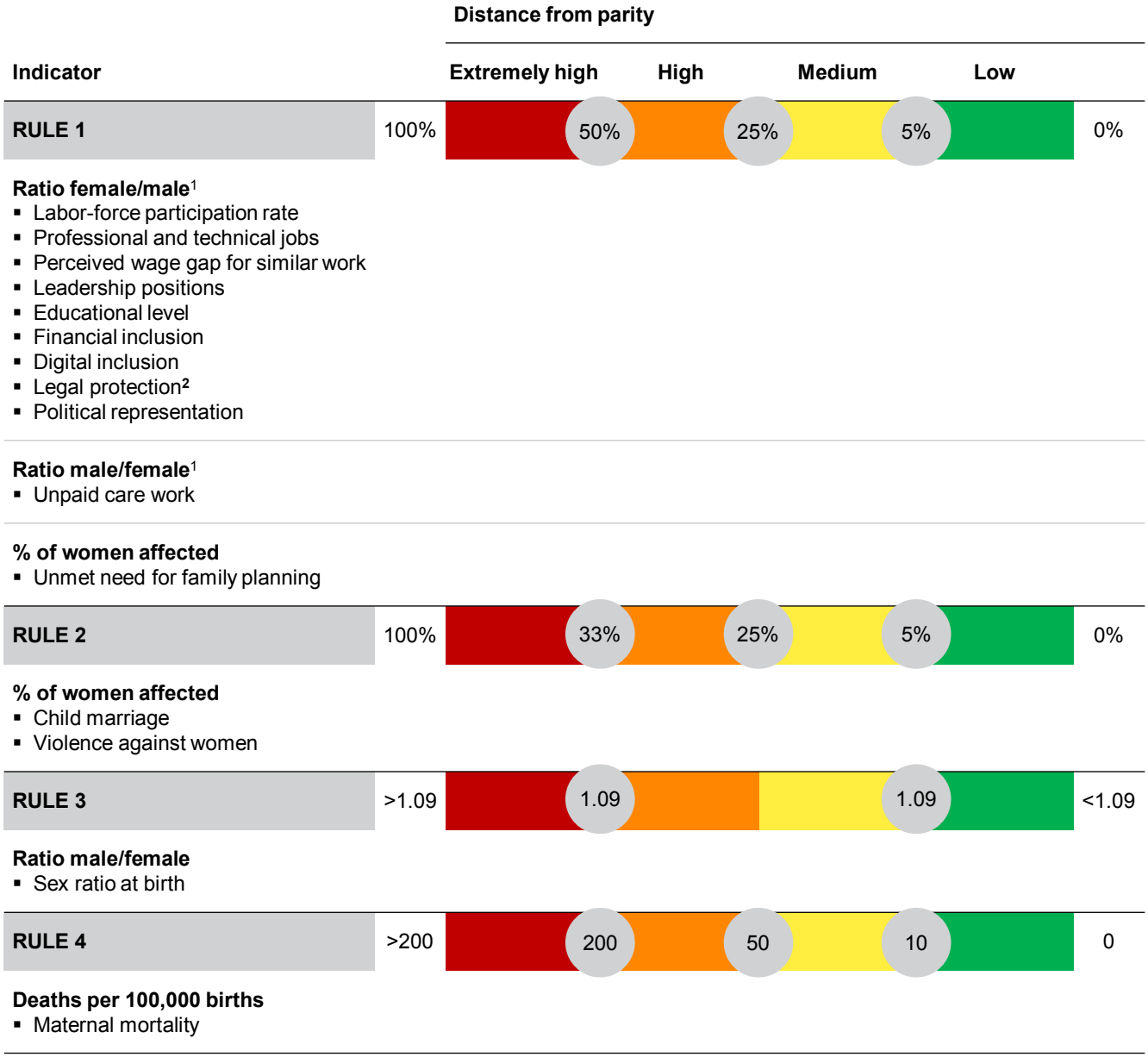
LARGE GAPS PERSIST AROUND THE WORLD IN GENDER EQUALITY IN BOTH WORK AND SOCIETY

To reach a fuller understanding of the gender equality landscape, we first classified the performance of individual countries on each indicator as low, medium, high, or extremely high inequality (Exhibit 17). For most indicators, low inequality was defined as being within 5 percent of parity, medium between 5 and 25 percent, high inequality between 25 and 50 percent, and extremely high inequality 50 percent or above (thresholds chosen by examining the education indicator, a core dimension of gender equality where significant progress has been made by the world). For example, a female-to-male ratio of 0.4 in labor-force participation rate corresponds to extremely high levels of inequality since the distance from parity, or the gender gap, in labor-participation rates (1.0) is 0.6 or 60 percent. For physical security and autonomy indicators, where we felt the severity of the indicators warranted different thresholds, we defined extremely high inequality as greater than or equal to 33 percent distance from no prevalence (of child marriage or violence against women). For sex ratio at birth and maternal mortality, given the different range of values for these two indicators, slightly different thresholds were used (for a detailed discussion of the 15 indicators, data sources, and our methodology for setting thresholds, see the appendix).

One of the key challenges is developing a deep understanding of where the critical issues are in order to drive focused and effective action.

Exhibit 17

MGI's classification of thresholds for the gender equality indicators



1 These indicators range from zero to 1.0, zero representing no gender parity and 1.0 representing gender parity; e.g., a 0.95 ratio represents 5% distance from gender parity.
2 Legal protection is not a female-to-male ratio, but a composite index of the extent of protection to women by different legal provisions .

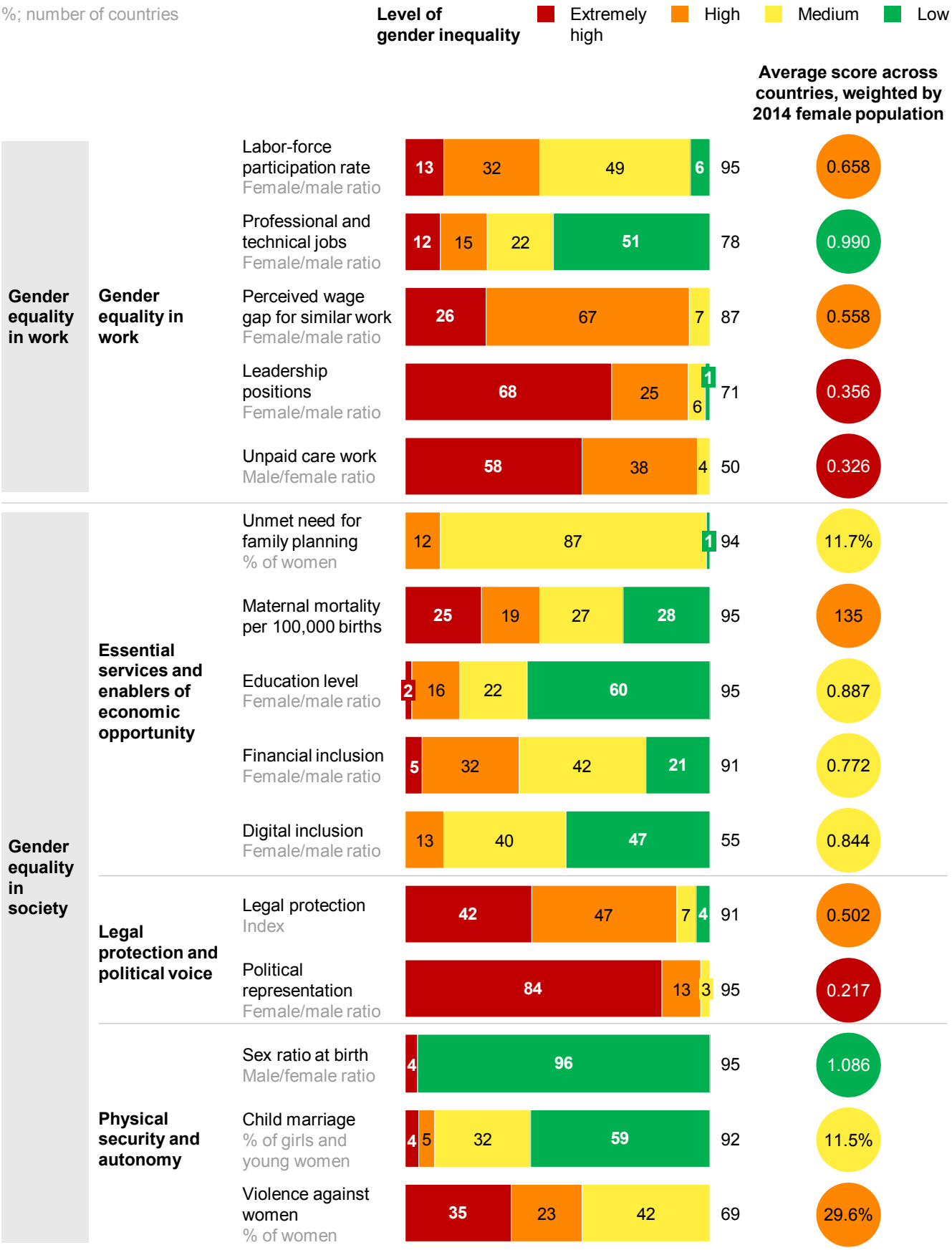
SOURCE: McKinsey Global Institute analysis

Our analysis finds that 40 countries out of the 95 we analyzed have extremely high or high levels of inequality on half or more of the 15 indicators for which data were available. Gender inequality remains extremely high or high in several areas: almost all aspects of gender equality in work, maternal mortality, legal protection and political voice, and violence against women (Exhibit 18).

Exhibit 18

More than half of the 15 indicators point to extremely high or high levels of inequality

%; number of countries



NOTE: Numbers may not sum due to rounding.

SOURCE: McKinsey Global Institute analysis

Gender equality in work: Gender gaps remain extremely high on most work-related indicators

On this dimension, we looked at five indicators: the ratio of labor-force participation rates by gender, the ratio of men and women with professional and technical jobs, the perceived wage gap for similar work between men and women, the ratio of women and men in leadership positions, and the distribution of unpaid care work among men and women. On four of these five indicators, the gender gaps remain extremely high or high globally.

The gender gap in leadership is almost twice that in labor-force participation.

655M
fewer women economically active than men

Labor-force participation, the largest driver of realizing the economic potential of women, is a source of high gender inequality for the world. Women now make up about 40 percent of the world's labor force, and female labor-force participation remains lower than that of males in almost all countries in the world. We estimate that, globally, 655 million fewer women are economically active than men. Only six of the 95 countries analyzed have female participation rates greater than 95 percent those of men.

On average globally, women in the workforce appear to work in professional and technical occupations to almost the same extent as men. However, out of 78 countries analyzed, there is extremely high or high inequality in 21 countries on this indicator.

16%
median wage differential between men and women [OECD]

Wage parity is a high inequality issue if we take World Economic Forum surveys as our evidence. These surveys pick up a widespread perception that women earn less than men for equivalent work in all 87 countries for which data are available. The existence of wage gaps for strictly equivalent work is hard to establish empirically. Researchers have attempted to quantify the actual wage gap based on earnings data and to estimate the proportion that is unexplained by differences in education, work experience, hours worked, and other attributes that drive differences in income. According to a 2012 report on OECD countries, the median wage differential between men and women was 16 percent; however, about 10 percent of the gap remained unexplained in all OECD countries even after controlling for age, work experience, hours worked, education, job characteristics, demographic characteristics such as marital status, and other factors.[49] Another study using data from the United States found 40 percent of the total wage gap between men and women unexplained despite accounting for characteristics such as educational attainment, labor-force experience, and occupational and industry categories, among other factors.[50]

The gender gap in leadership is almost twice that in labor-force participation, making it an extremely high inequality issue globally.[51] MGI analyzed International Labour Organisation data and found that, globally, only 36 women are likely to hold leadership positions as legislators, senior officials, and managers for every 100 men. The gap between men and women is even larger in the case of more senior executive positions within firms. For instance, according to Catalyst, only 25.1 percent of executive- or senior-level officials and managers at S&P 500 companies are women, and just 4.6 percent of these companies have women CEOs.[52]

[49] *Closing the global gender gap: Act now*, OECD, December 2012.
[50] Francine D. Blau and Lawrence M. Kahn, "The gender pay gap," *The Economists' Voice* , volume 4, issue 4, June 2007.
[51] For a detailed analysis of the leadership gap based on company data, see McKinsey's Women Matter research at **www.mckinsey.com/features/women_matter**.
[52] *Women CEOs of the S&P 500*, Catalyst, April 2015.

We explored common perceptions about the barriers keeping women from rising to leadership positions in different regions using McKinsey's 2013 Women Matter global survey of male and female managers. Respondents were asked to prioritize the biggest challenges women leaders face. Across countries, the double burden of balancing work and domestic life was the barrier cited most often—by 45 percent of respondents in Asia-Pacific, 44 percent in China, 39 percent in India, 34 percent in Europe, and 31 percent in North America. Another oft-cited barrier was the "anytime-anywhere" work model that requires employees to be available at all times and geographically mobile. Other barriers that were cited in the surveys included a lack of specific company measures to recruit, retain, and promote women, and the absence of female role models. In addition, almost 40 percent of women respondents and 30 percent of men believed that women's style of leadership and communication was incompatible with the prevailing leadership styles in their companies.[53]

The sharing of unpaid care work is also an extremely high inequality issue. Globally, women spend three times as many hours as men in unpaid domestic and care work, and in some countries such as India and Pakistan, they spend nearly ten times as many hours. Such work includes taking care of children or elderly family members, cooking, and cleaning. Some of this activity may reflect personal and familial choices, and indeed may add non-economic value, creating deep personal satisfaction for the caregiver and potentially better outcomes for the recipients of that care. However, as we have discussed earlier, the gender gap in unpaid care work has been found to be negatively correlated with other aspects of gender equality in work. Hence, the skewing of this responsibility toward women calls into question their ability to realize their full economic potential.

Essential services and enablers of economic opportunity: The gender gap has narrowed in many countries but has not entirely been bridged

On this dimension, we look at five indicators: the percentage of women whose need for family planning is not met; maternal mortality rates; a composite female-to-male ratio for education levels, including adult literacy, secondary and tertiary education enrollment rates; the extent to which women have access to financial services relative to men; and the same for digital inclusion from both mobile and Internet services.

197M
women who want to stop or delay having children do not use contraception

Unmet need for family planning is a medium inequality issue in 82 out of 94 countries and a high inequality issue in 11 countries analyzed, with a global average prevalence rate of 12 percent. Globally, this translates into 197 million women who want to stop or delay having children but who are not using contraception.

Maternal health is a high inequality issue globally despite having improved in many parts of the world. One study found that the number of women who die in childbirth fell by 40 percent globally between 1995 and 2013 and by almost 60 percent in South Asia over the same period.[54] Yet there are ten or more maternal deaths per 100,000 live births—fewer than ten is the level observed in the most developed countries—in 68 countries of our 95-country sample. At an aggregate level, 135 maternal deaths occur for every 100,000 live births globally, and the issue is a source of extremely high or high inequality (which we define as equal to or greater than 50 deaths per 100,000 live births) in 42 countries from our set of 95.

[53] See McKinsey's Women Matter research at **www.mckinsey.com/features/women_matter**.

[54] *Trends in maternal mortality: 1990 to 2013*, World Health Organization, UNICEF, UN Population Fund, World Bank, and UN Population Division, May 2014.

195M
fewer adult women than men are literate

Globally, gender gaps in education have been narrowing around the world and are a medium inequality issue at present. According to the Clinton Foundation Full Participation report, girls and boys enroll in primary school today at nearly equal rates globally, and the gap has closed in all regions except sub-Saharan Africa, where it narrowed from 85 girls for every 100 boys in 1995 to 93 in 2012.[55] However, in 17 of the 95 countries we studied, women attain less than 75 percent of the education levels that men attain, based on MGI's composite indicator. On adult literacy, 17 countries of the 95 still had a gender gap of more than 25 percent. In the case of enrollment in secondary education, eight countries out of 77 had a gap of more than 25 percent. On enrollment in tertiary education, 24 out of 92 countries with data still have a gap of this magnitude. Globally, some 195 million fewer adult women than men are literate.

Strong growth in financial services and payment technologies, particularly in emerging economies, has helped to contain the global gender gap in financial and digital services, both of which are medium inequality issues globally. However, there is room for improvement. Globally, women have 77 percent of the average access to financial services such as bank accounts, mobile banking, and credit as men, with some 190 million fewer women than men having an account at a financial institution. Thirty-four countries out of the 91 for which data were available face extremely high to high inequality on this indicator. The digital gender divide—the difference between men and women on access to the Internet and mobile phones—is estimated to be lower for women, at about 84 percent of the digital inclusion of men on average.

Legal protection and political voice: This aspect remains the source of most inequality in virtually all countries

Lack of adequate legal protection for women is a source of high gender inequality around the world. This is despite considerable improvement over time. A 2014 World Bank report found that half of the legal constraints documented in 100 countries in 1960 that related to women accessing institutions and using property had been removed by 2010.[56] Our analysis of the extent of protection for women on 11 critical legal indicators—spanning laws to protect individuals against violence, ensure parity in inheriting property and accessing institutions, and having the right to find work and be fairly compensated—indicates that 38 out of 91 countries have extremely high inequality on this indicator. This finding is based on the existence of specific legislation in these countries. Beyond such legislation, customary laws, prevailing social norms, and poor enforcement may place severe limits on the ability of women to access legal protection.

On the second indicator, political participation by women remains subject to extremely high inequality. Globally, the number of women in ministerial and parliamentary roles is just 22 percent that of men, despite the potential benefits of higher participation.. One cross-country study found that greater representation of women in parliaments led to higher expenditure on education as a share of GDP.[57] In India, women's leadership in local politics has been found to reduce corruption.[58]

This form of inequality is significant in both developed and developing countries. For instance, the number of women in such roles relative to men (based on MGI's composite indicator) is 24 percent in the United Kingdom and 34 percent in the United States. While our composite indicator looks at national levels of government, representation of women is

[55] *No ceilings: Full Participation report*, Clinton Foundation and Bill and Melinda Gates Foundation, March 2015.
[56] *Women, business and the law 2014: Removing restrictions to enhance gender equality*, World Bank and International Finance Corporation, September 2013.
[57] Li-Ju Chen, *Female policymakers and educational expenditures: Cross-country evidence*, January 2009.
[58] Esther Duflo and Petia Topalova, *Unappreciated service: Performance, perceptions, and women: Leaders in India*, October 2004.

equally, if not more, important in state and local governments. According to the World Bank, women account for less than 5 percent of mayors globally.[59]

Physical security and autonomy: Despite progress in many countries, experience remains mixed and violence against women remains pervasive

There are three indicators in the category of physical security and autonomy: the sex ratio at birth (ratio of male to female births), child marriage (the percentage of girls married between the ages of 15 and 19), and violence against women (as measured by the percentage of women who have experienced violence from an intimate partner at some time in their lives).[60] On the first two, the gender gap has largely been bridged, although progress is still uneven among countries.

Sex ratio at birth is a source of low inequality globally. In our set of 95 countries, it is a source of extremely high inequality in just a handful—Azerbaijan, China, India, and Vietnam. In these countries, a total of about 1.5 million girls are not born each year because of selective abortions that favor male children. This is on a par with the number of global deaths due to diseases such as hypertensive heart disease and diabetes, which were among the top ten causes of death in the world in 2012 with 1.1 million and 1.5 million deaths, respectively, based on data from the World Health Organization. The high number of selectively aborted girls indicates a strong preference for a male child in some societies, resulting in disproportionately high rates of unborn or missing girls, and the accompanying social and economic cost of devalued girl children relative to boys.

Child marriage is a medium gender inequality issue, with a global average prevalence rate of 11 percent. It is a low or medium inequality issue in about 90 percent of the countries studied. But there are still an estimated 36 million girls and young women aged between 15 and 19 being married, limiting the degree to which they can receive an education and participate in the workforce. 25 percent or more of girls aged 15 to 19 are married in nine countries of 92 for which data were available. In Niger, for instance, 59 percent of all girls between the ages of 15 and 19 are married. We note that child marriage is also prevalent among boys in many of these societies, albeit at lower rates. Nevertheless, child marriage is particularly harmful for girls who are less likely to be in control of their sexual, reproductive, and health rights than are boys.

Violence against women is a source of high inequality globally.

Violence against women is a source of high inequality globally, with 30 percent of women worldwide, or 723 million women, having experienced violence from intimate partners. Our indicator focuses on prevalence rates of physical or sexual violence by an intimate partner because most global data exist for this measure; we acknowledge that other forms of violence, including rape, sexual harassment, honor killings, dowry deaths, and acid attacks are also issues faced by women. Unlike most other indicators in our data set (and similar to the indicators of child marriage, maternal mortality, and unmet family planning needs), this indicator measures prevalence rates for women rather than comparative rates for men and women. We note that men are not immune from violence; in fact, they are more likely to be victims of all types of violent crime, including homicides, attempted murder, robbery, and

[59] *Voice and agency: Empowering women and girls for shared prosperity*, World Bank, October 2014.

[60] The indicator we used for child marriage is the share of girls between 15 and 19 who are married, sourced from the United Nations, World Marriage Data, 2012. An alternative, and perhaps more commonly used, indicator of child marriage is the percent of women aged 20 to 24 years who were first married before the age of 15 or the age of 18. However, we chose the former to ensure better coverage of our sample of 95 countries.

aggravated assault. However, women are more likely to be victims of domestic or intimate-partner abuse, and of sexual assault.[61] For example, in the United Kingdom, two-thirds of homicide victims in 2013–14 were men, but about twice as many women experienced domestic abuse as men, and women were three times as likely as men to have been victims of some form of sexual assault (including attempted assault).[62] In the United States, serious violent crime rates have been measured as 7.7 percent for men and 7.0 percent for women.[63] However, an estimated 24.3 percent of women were subjected to severe physical violence involving an intimate partner at some point during their lives, compared with 13.8 percent of men. A much higher share of women than men—an estimated 18.3 percent vs. 1.4 percent of men—have reported that they have been raped.[64]

THE DISTANCE TO TRAVERSE TO REACH GENDER PARITY VARIES FOR DIFFERENT REGIONS

To gauge succinctly the size of the gap that individual countries need to bridge to achieve gender equality, MGI has developed a measure called the Gender Parity Score. MGI's GPS measure builds on a considerable body of work done by others that has tended to focus on specific aspects of gender equality or specific geographies.[65]

The difference between MGI's GPS measure and other indexes is that the GPS captures a large set of 15 gender equality indicators across the four dimensions of gender equality in work, essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy. The GPS weights these indicators equally and calculates how close women are to parity on each of our set of 95 countries, where parity corresponds to a GPS of 1.00 (see the appendix for more detail).

The GPS enables us to understand where each region stands on gender parity, and also to identify how the position of countries may vary within a region. We calculate the GPS for aggregate levels of gender equality, but also for individual dimensions of gender equality such as essential services and enablers of economic opportunity, and physical security and autonomy.

In the ten regions covered in this research, we have aggregated country scores into regional scores, weighting results based on the size of the female population in each country in a particular region. The regional GPS is lowest in South Asia (excluding India), at 0.44, and is highest in North America and Oceania at 0.74 (Exhibit 19).

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61 Russell P. Dobash and R. Emerson Dobash, "Women's violence to men in intimate relationships: Working on a puzzle," *British Journal of Criminology*, volume 44, issue 3, May 2004. Findings of this study suggest that serious intimate-partner violence is asymmetrical, with men usually more violent to women if the nature, frequency, intention, intensity, physical injury, and emotional impact of violence are taken into account.

62 *Crime survey for England and Wales 2013/14*, Office for National Statistics.

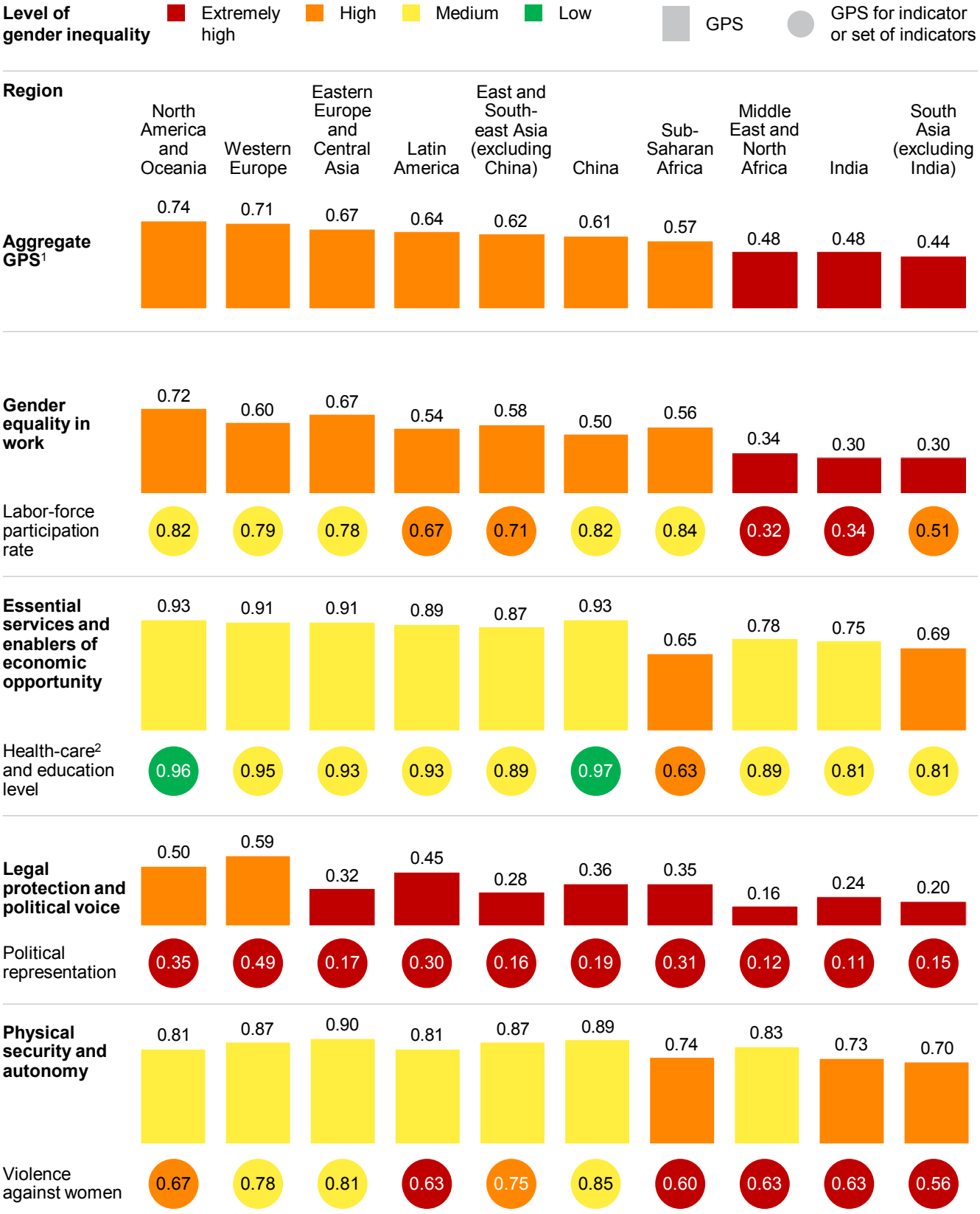
63 Jennifer L. Truman and Lynn Langton, *Criminal victimization, 2013*, Bureau of Justice Statistics, US Department of Justice, September 2014.

64 Michele C. Black et al., *The National Intimate Partner and Sexual Violence Survey: 2010 summary report*, US Centers for Disease Control and Prevention, November 2011.

65 The OECD's Social Institutions and Gender Index is focused primarily on social institutions. The World Economic Forum's Global Gender Gap Index looks in particular at economic and political outcomes, and the development of human capital. The European Union's Gender Equality Index covers only EU countries.

Exhibit 19

Regions have distinct levels and patterns of gender equality


Level of gender inequality
Extremely high
High
Medium
Low
GPS
GPS for indicator or set of indicators
Region
North America and Oceania
Western Europe
Eastern Europe and Central Asia
Latin America
East and South-east Asia (excluding China)
China
Sub-Saharan Africa
Middle East and North Africa
India
South Asia (excluding India)
Aggregate GPS[1]
0.74 0.71 0.67 0.64 0.62 0.61 0.57 0.48 0.48 0.44
Gender equality in work
0.72 0.60 0.67 0.54 0.58 0.50 0.56 0.34 0.30 0.30
Labor-force participation rate
0.82 0.79 0.78 0.67 0.71 0.82 0.84 0.32 0.34 0.51
Essential services and enablers of economic opportunity
0.93 0.91 0.91 0.89 0.87 0.93 0.65 0.78 0.75 0.69
Health-care[2] and education level
0.96 0.95 0.93 0.93 0.89 0.97 0.63 0.89 0.81 0.81
Legal protection and political voice
0.50 0.59 0.32 0.45 0.28 0.36 0.35 0.16 0.24 0.20
Political representation
0.35 0.49 0.17 0.30 0.16 0.19 0.31 0.12 0.11 0.15
Physical security and autonomy
0.81 0.87 0.90 0.81 0.87 0.89 0.74 0.83 0.73 0.70
Violence against women
0.67 0.78 0.81 0.63 0.75 0.85 0.60 0.63 0.63 0.56

1 All GPS calculations are conducted using a sum of squares method with equal weighting across indicators. For all categories, color coding is in line with impact zones. Color coding for aggregate GPS is based on thresholds for majority of indicators.
2 Comprising unmet need for family planning and maternal mortality.
NOTE: Numbers are rounded to two decimal places. Color coding is based on actual, not rounded, values.

SOURCE: McKinsey Global Institute analysis

Highlights of the GPS analysis for regions include:

- Women in South Asia (excluding India) have a higher per capita income than those in sub-Saharan Africa, the poorest of our ten regions, with a per capita GDP of $4,340 and $3,680 (on a 2014 purchasing power parity basis) respectively. But with the region's aggregate GPS of 0.44, women in South Asia (excluding India) are less equal to men than women in sub-Saharan Africa, whose aggregate GPS is 0.57. Indeed, women in South Asia (Bangladesh, Nepal, Pakistan, and Sri Lanka) fare better than only those in the MENA region on legal protection and political voice, and are among the furthest in the world, along with those in India and MENA, from gender parity in work.

- Women in sub-Saharan Africa have levels of gender equality in work that are on a par with East and Southeast Asia (excluding China) and Latin America. However, women in this region have the lowest levels of equality globally in access to essential services and enablers of economic opportunity.

- Women in India, where the aggregate GPS is 0.48, face the same level of overall gender inequality as their counterparts in MENA. Despite women in India having significantly more legal protection than those in MENA, women in the MENA region fare better on the sex ratio at birth and child marriage and somewhat better on access to health care and education than those in India.

- Women in China, with an aggregate GPS of 0.61, have high equality in access to essential services and enablers of economic opportunity—indeed, on a par with women in developed economies. Yet they face high inequality in work, despite having one of the highest female labor-force participation rates in the world. This is due to the fact that the share of women in leadership positions is much lower than that of men, and the time spent in unpaid care work is higher. Chinese women also face high political inequality: their share of parliamentary seats and ministerial positions is just 19 percent of that of men.

- The East and Southeast Asia region (excluding China) has an aggregate GPS of 0.62. Women in this region are close to Chinese women in terms of overall gender equality, but they fare slightly better than Chinese women on work equality. However, these countries lag slightly behind relative to China in legal protection and political voice.

- Latin America, with an aggregate GPS of 0.64, has higher relative performance than the regions discussed above. Indeed, women's access to essential services and enablers of economic opportunity compared to that of men is similar to that in Western Europe. However, there is room for improvement for Latin American women on legal protection and political voice, and on gender equality in work.

- Women in Eastern Europe and Central Asia, where the aggregate GPS is 0.67, are closer to gender parity than those of most other regions, but they are held back by lower readings on legal protection and political voice. Only 17 percent of women relative to men in this region are represented in politics, compared with 49 percent in Western Europe, for example.

- Women in Western Europe and the North America and Oceania region, which have similar aggregate GPS values of 0.71 and 0.74, respectively, are closer to gender parity than women in the other eight regions. Yet there are differences. Women in Western Europe tend to have higher political participation and somewhat higher physical security and autonomy, while women in North America tend to have more equality in work but lower political participation.

Gender inequality is not uniform within regions

Countries' GPS tends to be broadly in line with that of their region and their stage of economic development. However, differences in per capita GDP within regions as well as cultural and political factors drive significant differences in the ability of countries within a region to bridge gender gaps (Exhibits 20 and 21).

Parts of Western Europe, including the southern European countries of Greece, Italy, and Portugal, but also northern European countries Austria, Ireland, Luxembourg, and the United Kingdom, have significantly lower political participation (with ratios of female to male participation ranging from 0.16 to 0.46) than many other European countries, including the Nordic states of Denmark, Finland, Norway, and Sweden as well as Belgium and the Netherlands, where these ratios range from 0.68 to 0.86. The strong historical presence of organized female participation in political parties and movements in some of these countries may have contributed to this difference.[66]

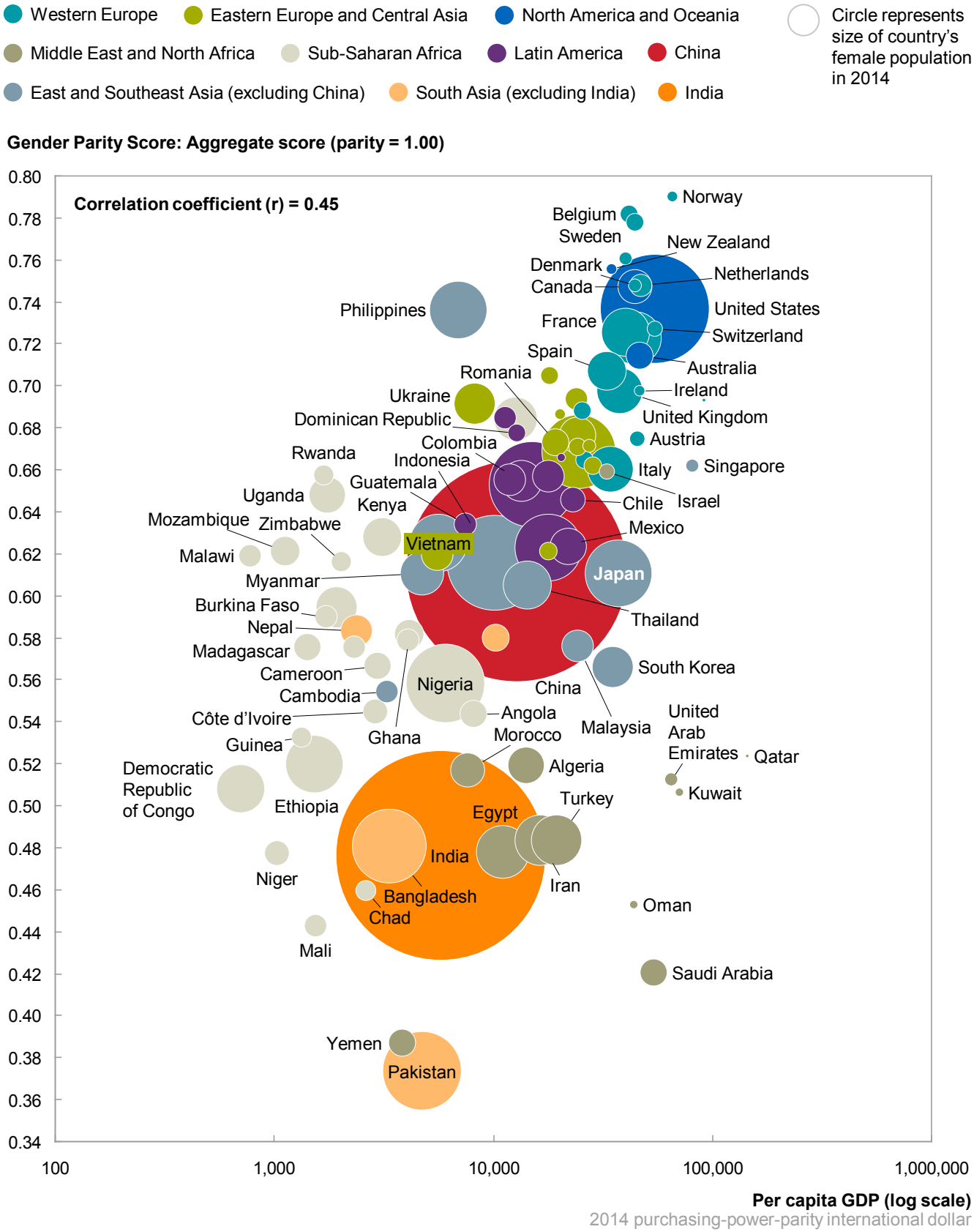
Higher gender inequality within some countries of sub-Saharan Africa is associated with extreme poverty, political and ethnic violence, and instability. Chad, Côte d'Ivoire, Democratic Republic of Congo, Guinea, Mali, and Niger—with the exception of Guinea and Niger, the World Bank classified all of these in 2015 as fragile, conflict-affected states—have significantly higher gender gaps on essential services and enablers of economic opportunity relative to other sub-Saharan African countries. The GPS on this set of indicators ranges from 0.34 to 0.56 for these countries. Other sub-Saharan African countries, including Ghana, Kenya, Madagascar, Rwanda, Tanzania, Zambia, and Zimbabwe, fare better in terms of access to services, with GPS ranging from 0.70 to 0.75. South Africa has a much higher than average score on essential services and enablers of economic opportunity of 0.83 than the rest of Africa, where the average score is 0.63.

Within MENA, all countries with the exception of Algeria, Israel, and Morocco have low scores on legal protection and political voice. Gender equality in essential services and enablers of economic opportunity is linked to the stage of economic development. Women in some low- or middle-income countries in MENA such as Egypt, Morocco, Turkey, and Yemen face high gender inequality on these indicators, with the countries' corresponding GPS ranging from 0.58 to 0.78, similar to levels in India, South Asia (excluding India), and sub-Saharan Africa. Women in other countries, including Algeria, Iran, Israel, Kuwait, Oman, and Qatar, where GPS values range from 0.84 to 0.95, have substantially greater gender equality. High-income countries, such as Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates, have female-to-male equality in education of about 0.95 and higher, and maternal mortality ratios of six to 16 maternal deaths per 100,000 live births, similar to levels found in developed economies. This contrasts with corresponding values in education ranging from 0.57 to 0.90 and maternal mortality ratios of 45 to 270 deaths per 100,000 live births in the low- and middle-income countries of Algeria, Egypt, Morocco, and Yemen.

[66] Elina Haavio-Mannila and Torild Skard, eds., *Unfinished democracy: Women in Nordic politics*, Pergamon Press, 2013.

Exhibit 20

Countries' aggregate GPS tends to increase with per capita GDP

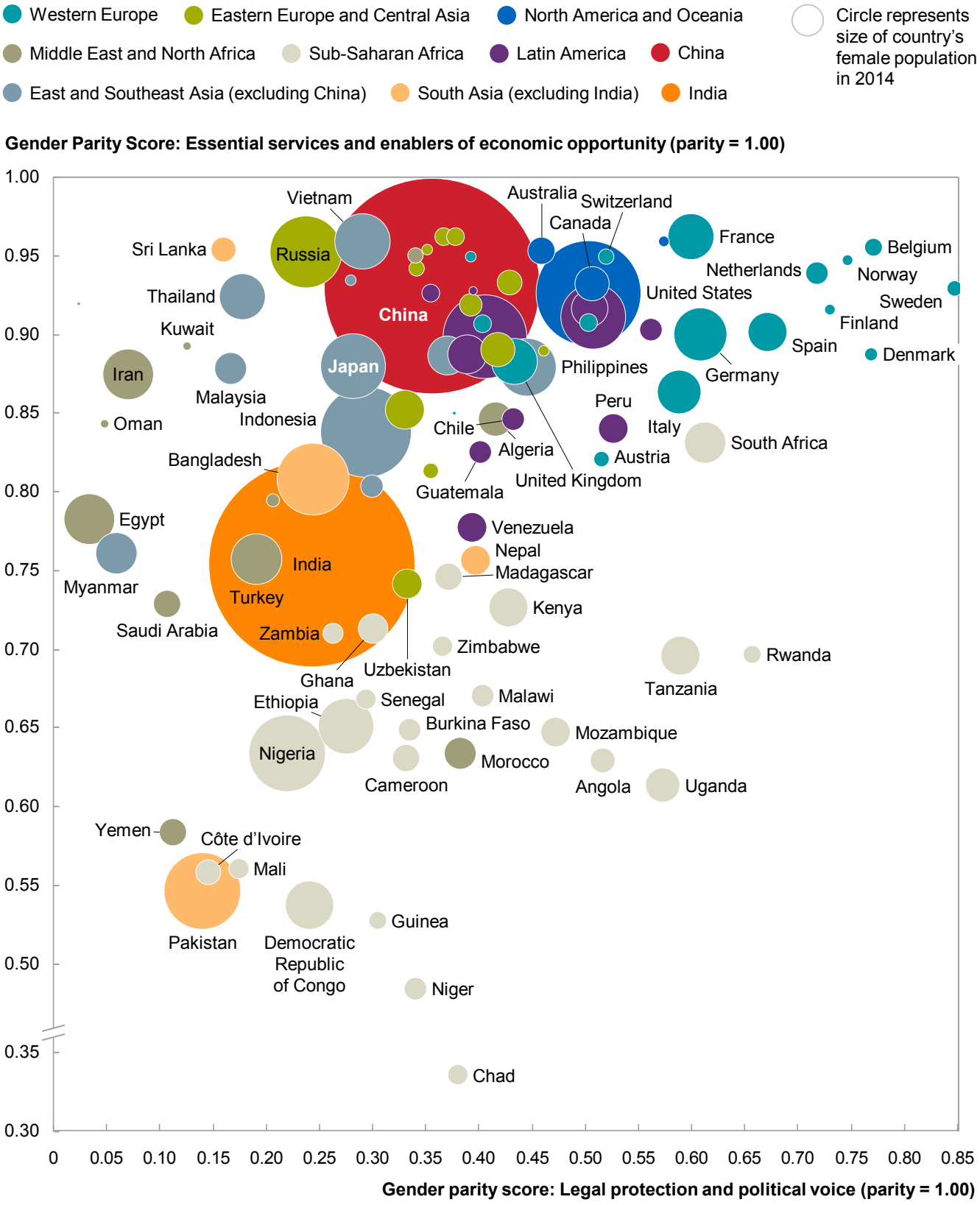


NOTE: For legibility, some country labels are not shown: Argentina, Azerbaijan, Belarus, Brazil, Croatia, Czech Republic, Ecuador, Finland, Germany, Greece, Hungary, Kazakhstan, Luxembourg, Peru, Poland, Portugal, Russia, Senegal, Slovak Republic, South Africa, Sri Lanka, Tanzania, Uruguay, Uzbekistan, Venezuela, and Zambia.

SOURCE: McKinsey Global Institute analysis

Exhibit 21

There are significant intraregional variations in access to essential services, and legal and political gender equality



NOTE: For legibility, some country labels are not shown: Argentina, Azerbaijan, Belarus, Brazil, Cambodia, Colombia, Croatia, Czech Republic, Dominican Republic, Ecuador, Greece, Hungary, Ireland, Israel, Kazakhstan, Luxembourg, Mexico, New Zealand, Poland, Portugal, Qatar, Romania, Singapore, Slovak Republic, South Korea, Ukraine, United Arab Emirates, and Uruguay.

SOURCE: McKinsey Global Institute analysis

TEN IMPACT ZONES OF GLOBAL GENDER INEQUALITY ACCOUNT FOR MORE THAN 75 PERCENT OF THE WOMEN AFFECTED GLOBALLY

The gender divide remains very large, and the difficulties of tackling a problem of such magnitude may risk inertia. Bridging the global gap requires that the right gender issues are addressed for the right women in the right countries. To make a dent in the global problem, we need to identify where these women are and what aspects of gender inequality they most suffer from. For this reason, we believe that a focus on the most egregious gender equality gaps or most pressing geography-issue combinations is warranted.

In a similar spirit to the United Nations' Millennium Development Goals, which gave the world a short list of simply stated and achievable objectives to help focus and rally action, MGI has identified the top ten gender impact zones—the largest concentrations of gender gaps experienced by women in the world. Focusing the world's attention, energy, and resources on these ten could help make a substantive difference to global gender inequality within a reasonable time frame (Exhibit 22).[67]

Focusing on these ten zones would address a large proportion of the women—more than 75 percent, based on a simple average—affected around the world by gender inequality (Exhibit 23). The global impact zones, by definition, cover all the world's women affected by their respective types of inequality, while regional impact zones each typically cover more than half the number of global women affected. For instance, 76 percent of women affected by adult literacy gaps are in India, South Asia (excluding India), and sub-Saharan Africa; 72 percent of those with unequal access to financial institutions are in India, MENA, South Asia (excluding India), and sub-Saharan Africa; 60 percent of maternal mortality issues are in countries of sub-Saharan Africa; 58 percent of the 15- to 19-year-olds who experience child marriage are in India and South Asia (excluding India); and 54 percent of women affected by unequal labor-force participation rates are in India, MENA, and South Asia (excluding India).

[67] Regional numbers for gender equality indicators typically represent weighted averages based on 2014 female population data available from the UN. Per capita GDP is based on data from the IMF and represents values in 2014 international dollars adjusted for purchasing power parity.

Exhibit 22

There are strong concentrations of gender inequality in ten "impact zones"

Level of gender inequality — Extremely high; High; Medium; Low

Impact zones — Global; Regional

	China	East and Southeast Asia (excluding China)	India	South Asia (excluding India)	Middle East and North Africa	Sub-Saharan Africa	Latin America	North America and Oceania	Eastern Europe and Central Asia	Western Europe
Female population, 2014 (million)	671	401	612	194	191	412	276	196	181	212
Gender equality in work										
Labor-force participation rate (F/M ratio)	0.817	0.707	0.338	0.508	0.324	0.839	0.672	0.823	0.777	0.792
Professional and technical jobs (F/M ratio)	1.072	1.003	no data	0.346	0.553	0.744	1.064	1.319	1.648	0.964
Perceived wage gap for similar work (F/M ratio)	0.570	0.647	0.483	0.506	0.604	0.629	0.463	0.608	0.586	0.527
Leadership positions (F/M ratio)	0.201	0.384	no data	0.076	0.116	0.339	0.573	0.736	0.582	0.503
Unpaid care work (M/F ratio)	0.389	0.299	0.102	0.176	0.161	0.476	0.350	0.618	0.506	0.482
Gender equality in society										
Essential services and enablers of economic opportunity										
Unmet need for family planning (% of women)	4%	13%	13%	17%	12%	24%	10%	7%	10%	9%
Maternal mortality per 100,000 births	32	103	190	164	57	483	70	25	21	6
Education level (F/M ratio)	0.973	0.962	0.763	0.788	0.883	0.689	0.989	1.000	0.978	0.997
Financial inclusion (F/M ratio)	0.873	0.845	0.659	0.525	0.638	0.740	0.799	0.865	0.881	0.827
Digital inclusion (F/M ratio)	no data	0.868	0.724	0.723	0.767	0.580	0.965	0.996	0.941	0.951
Legal protection and political voice										
Legal protection (index)	0.583	0.483	0.399	0.261	0.226	0.415	0.657	0.742	0.525	0.771
Political representation (F/M ratio)	0.191	0.156	0.114	0.152	0.116	0.310	0.302	0.346	0.169	0.486
Physical security and autonomy										
Sex ratio at birth (M/F ratio)	1.170	1.060	1.108	1.066	1.049	1.038	1.049	1.049	1.061	1.057
Child marriage (% of girls and young women)	2%	8%	27%	26%	12%	19%	3%	2%	3%	1%
Violence against women (% of women)	15%	25%	37%	44%	38%	40%	37%	33%	19%	22%

1. Blocked economic potential
2. Time spent in unpaid care work
3. Fewer legal rights
4. Political underrepresentation
5. Violence against women
6. Low labor-force participation in quality jobs
   India; Middle East and North Africa; South Asia (excluding India); sub-Saharan Africa
7. Low maternal and reproductive health
   Sub-Saharan Africa
8. Unequal education levels
   India; South Asia (excluding India); sub-Saharan Africa
9. Financial and digital exclusion
   India; Middle East and North Africa; South Asia (excluding India); sub-Saharan Africa
10. Girl-child vulnerability (sex ratio at birth and child marriage)
    China; India; South Asia (excluding India)

NOTE: Numbers are rounded. Color coding is based on actual, not rounded, numbers.

SOURCE: McKinsey Global Institute analysis

Exhibit 23

The ten impact zones account for more than 75 percent of all women affected by gender inequality

	Impact zone	Number of women affected globally[1]	Indicator	Impact zone region	% represented in impact zones[1]
Global	Blocked economic potential	64 million	Leadership positions	▪ Global	100
		551 million	Perceived wage gap for similar work	▪ Global	100
	Time spent in unpaid care work	1.3 billion	Unpaid care work	▪ Global	100
	Fewer legal rights	2.5 billion	Legal protection	▪ Global	100
	Political under-representation	15 thousand	Parliamentary positions	▪ Global	100
	Violence against women	723 million	Intimate-partner violence, at some time in their lives	▪ Global	100
Regional	Low labor-force participation in quality jobs	655 million	Labor-force participation rate	▪ India ▪ Middle East and North Africa ▪ South Asia (excluding India)	54
		29 million	Professional and technical jobs	▪ India ▪ Middle East and North Africa ▪ South Asia (excluding India) ▪ Sub-Saharan Africa	56
	Low maternal and reproductive health	197 million	Unmet need for family planning	▪ Sub-Saharan Africa	23
		240 thousand	Maternal mortality, per year		60
	Unequal education levels	195 million	Adult literacy rate	▪ India ▪ South Asia (excluding India) ▪ Sub-Saharan Africa	76
	Financial and digital exclusion	190 million	Account at a financial institution	▪ India ▪ Middle East and North Africa ▪ South Asia (excluding India) ▪ Sub-Saharan Africa	72
		105 million	Internet users		52
	Girl-child vulnerability	1.5 million	Sex ratio at birth, per year	▪ India ▪ China	98
		36 million	Child marriage	▪ India ▪ South Asia (excluding India)	58
				Average =	**77[2]**

1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. Percent in impact zones represents only countries where data are available.
2 Simple average.

SOURCE: McKinsey Global Institute analysis

Five of the ten impact zones cut across countries and can be regarded as global, while the other five are concentrated in a few regions.

The five global impact zones are:

- **Blocked economic potential.** The data suggest that tackling wage gaps between women and men and hurdles in the way of women progressing into leadership positions is a global priority. As we have noted, business leaders around the world perceive that women are not paid equally for equivalent work. And fewer women than men rise to leading positions in companies in many regions around the world. The gap is narrowest in North America and Oceania, but even in this region, the share of women in leadership positions is only 74 percent that of men. The ratio is 50 percent in Western Europe and 57 percent in Latin America. In China, the ratio is only 20 percent.

- **Time spent in unpaid care work.** Globally, women spend three times as many hours in unpaid domestic and care work as men. This is a pervasive issue in both developed and developing countries. The ratio of unpaid care work by women to that of men ranges from 9.8 times in India to 4.8 times in Japan and 1.3 times in Denmark. Looking at regions, the highest gender equality is observed in North America and Oceania, where men spend 62 percent of the time spent by women on unpaid care work; the next-highest region is Eastern Europe and Central Asia, at 51 percent. In no country covered in our data set does the ratio of unpaid care work by men exceed that by women. Unpaid care work assumes great significance as a global priority because of its high correlation with other indicators of gender equality in work, including the relative labor-force participation rate and the proportion of women in leadership positions compared with men.

- **Fewer legal rights.** Weak legal protection (including poor enforcement of laws that uphold gender equality) is a global priority. In our country sample, based on data from the World Bank's Women, Business and the Law database, 18 out of 90 countries do not have equal inheritance rights for sons and daughters, 16 of 75 do not have domestic violence legislation, and in 49 of 91 countries non-pregnant and non-nursing women cannot do the same jobs as men. On average, our composite legal indicator shows that about 2.5 billion women around the world are affected by inadequate legal protection.

- **Political underrepresentation.** Fewer women than men become political leaders across the world. In Finland and Sweden, the share of women in political leadership is 82 to 86 percent that of men, but this is not typical. On average in Western Europe, the share is 49 percent. In North America and Oceania, the share is 35 percent, and in all other regions it is 31 percent or less. Globally, the number of women in ministerial and parliamentary roles is just 22 percent that of men.

- **Violence against women.** Violence against women stands out from the other indicators of physical security and autonomy for its continuing pervasiveness in a large number of countries. It is therefore a global priority. As we have mentioned, 30 percent of women globally report experiencing physical and/or sexual violence from an intimate partner at some time in their lives. In 25 countries out of 69 for which we had data, a third or more of all women have experienced such violence. In some countries, the problem is even more serious. For instance, in Angola and Ethiopia, more than two-thirds of all women have reported such violence. While a few regions (Eastern Europe and Central Asia, Western Europe, and East and Southeast Asia, including China) have relatively lower declared prevalence of intimate-partner violence, the likelihood of underreporting is high. No country in the world has reported prevalence rates of lower than 5 percent.

The five regional impact zones are:

- **Low labor-force participation in quality jobs (India, South Asia [excluding India], MENA, sub-Saharan Africa).** Female labor-force participation is between 20 percent and 32 percent of that of men in Algeria, Egypt, Iran, Pakistan, and Saudi Arabia, and about 35 percent that of men in India, Morocco, Oman, and Yemen. India, South Asia (excluding India), and MENA are home to 54 percent of all women in the world who face a large gender gap on labor-force participation. These regions, along with sub-Saharan Africa, also have a significantly lower share of women than men in professional and technical jobs. For example, women in Bangladesh, Nepal, and Pakistan have between 28 percent and 43 percent the number of such jobs that men do.

- **Low maternal and reproductive health (sub-Saharan Africa).** The issue is acute in the 23 countries of sub-Saharan Africa that have a weighted average maternal mortality rate of 483 per 100,000 live births, compared with 135 globally. This region is home to 60 percent of all the women in the world who die in childbirth. In the case of unmet need for family planning, 23 percent of all women with unmet need for family planning are in this region, with nine of the 23 countries—Angola, Burkina Faso, Democratic Republic of Congo, Ethiopia, Ghana, Mali, Mozambique, Senegal, and Uganda—facing high levels of gender inequality. In Ghana, Senegal, and Uganda, more than 30 percent of women lack access to family planning compared with the global average of 12 percent.

- **Unequal education levels (India, South Asia [excluding India], sub-Saharan Africa).** In 15 of the 23 countries of sub-Saharan Africa, women attain less than 75 percent of the education levels that men do. In many countries in South Asia, women reach only 75 to 80 percent of men's education level. These regions are home to 76 percent of women affected around the world by this gender issue.

- **Financial and digital exclusion (India, South Asia [excluding India], MENA, sub-Saharan Africa).** Women's access to financial services, including bank accounts, credit, and mobile remittances, is less than 50 percent that of men in Chad, Niger, Morocco, Pakistan, and Yemen. The equivalent number in India is 66 percent. These regions are home to about 72 percent of all women who face constraints on access to financial services. Women's use of the Internet and mobile phones remains only 50 to 75 percent that of men in Bangladesh, India, Iran, Senegal, Turkey, and Uganda. This group of regions accounts for 52 percent of all women lacking access to the Internet.

- **Girl-child vulnerability (China, India, South Asia [excluding India]).** Both missing girl children because of sex-selective abortion and child marriage are relatively localized problems. On the first, China and India have male-to-female birth ratios of 1.170 and 1.108, respectively, compared with a global average of 1.086. This amounts to close to 1.5 million missing females per year, or 98 percent of all the missing women in all 95 countries we analyzed (the remaining 2 percent are in Azerbaijan and Vietnam).[68] In South Asia (including India), about 26 percent of girls aged 15 to 19 are married. These two regions account for 58 percent of females affected around the world by this issue.

[68] Based on MGI calculations. Other research from the World Bank has estimated that there are 3.9 million missing women globally each year, of which two-fifths (or 1.56 million) are due to sex-selective abortions. See *World development report 2012: Gender equality and development*, World Bank, September 2011.

These ten impact zones do not cover all countries affected by a particular gender inequality issue. We also considered countries that have lower rates of gender inequality on each of the 15 indicators but where a large number of women are affected. Here are some examples of countries outside the zones that are notable for certain forms of gender inequality:

- China and Indonesia are home to 109 million women, or 17 percent or all women worldwide, who are not in the labor force, relative to men. In China, the female-to-male ratio of labor-force participation is 0.82; in Indonesia, it is 0.61. Gender gaps persist across all age groups.[69]

- Pakistan, India, Indonesia, and China are home to 76 million women, or 38 percent of the global total, with unmet need for family planning. The rates, respectively, in these four countries are 21 percent, 13 percent, 12 percent, and 4 percent.

- Twenty percent of all the world's women who die in childbirth—48,000 women—are in India, where there are 190 deaths per 100,000 live births.

- China is home to 20 million women, or 10 percent of all women, affected by gender inequality in adult literacy.[70]

- China is also where 28 million women, or 15 percent of the global total, are affected by gender inequality in financial inclusion; 5 percentage points fewer women than men have access to financial services.

- Almost 14 million women affected by gender gaps in digital inclusion come from six countries, including some rich ones such as Japan and Germany.

- Nigeria is home to 2.5 million, or 7 percent, of the girls in the world who experience child marriage, with a prevalence rate of 28 percent. Indonesia accounts for 4 percent of the global total.

Any strategy to bridge gender gaps will need to recognize significant variations in gender inequality within countries—for instance, variations between rural and urban communities, among states or provinces, and within different income groups or ethnic minorities. In many large and diverse countries, the experience of gender inequality depends on where a women lives and her socioeconomic status.

India, for example, experiences wide variations in gender equality among states and between rural and urban areas. The issue of sex ratio at birth is largely concentrated in the northern part of the country, and child marriage in eastern states. While labor-force participation rates are extremely low for women relative to men across the country, urban women have larger gaps; participation is 22 percent for urban women and 38 percent for rural women compared with 81 percent and 83 percent for men, respectively.[71] Similar trends are seen in China. Female participation is close to 80 percent in rural areas, but 60 percent in urban areas.[72] Violence against women in 2.5 times more prevalent in rural areas than in China's cities. Women achieve 67 percent the educational attainment of men

[69] For example, for China, the female-to-male labor-force participation ratio is 0.64 for those aged 55 and older, but as high as 0.84 for those of prime working age. In Indonesia, these ratios are 0.58 and 0.61, respectively.

[70] This gap is driven primarily by population above 24 years of age. UNESCO estimates female-to-male adult (15-plus years) literacy ratios to be 0.96, compared with youth (15–24 years) literacy levels of 1.00.

[71] Based on analysis of India's National Sample Survey Office's survey, 2011–12. Refers to population aged 15 to 59.

[72] In both China and India, urban and rural differences in labor-force participation must be viewed in the context of the agricultural sector that provides subsistence jobs with high disguised unemployment, an opportunity not found in the urban sector. Hence the higher rates of labor-force participation in rural areas do not, in themselves, signify higher equality in work for women.

in rural areas and 90 percent in urban areas, a variation that is driven by differences in senior secondary education and above.[73]

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Global gender gaps persist around the world despite this issue having been a focus area for several decades. To tackle these gaps, it is important that we try to understand—in as much detail as possible—where the biggest gaps are, what kind of gaps need to be filled, and what is driving them. Our hope is that MGI's new GPS, which offers a detailed view of where countries stand, and our identification of ten impact zones help to provide a route to concrete action on the most pressing issues in the most affected countries and regions. In the next chapter, we describe and discuss a framework for action based around six key types of intervention and explore some of the factors that are likely to deliver success.

[73] Based on analysis of China's Census and the Second and Third Survey on Chinese Women's Social Status, co-sponsored by the All-China Women's Federation and the National Bureau of Statistics.

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4. AGENDA FOR ACTION

Gender inequality is a multifaceted and far-reaching global issue. Yet there is potential to accelerate progress if many different stakeholders actively seek to influence the sources and practice of that inequality that are within their power to change. Governments and non-governmental organizations have much to do on such initiatives as ensuring that women have access to education and health services, ending legal discrimination against women, and working with communities to tackle attitudes and social norms. Companies can complement these efforts, not only by taking more committed action on gender equality in their own workplaces, but also by broadening their efforts to their suppliers and distributors and, more broadly, to their customers and the communities in which they live. It is important for businesses to have a clear idea of which segment or segments of women they wish to target, and for all stakeholders to be clear about their motivation for addressing gender and what the benefits of doing so might be, and then to play to their specific strengths and work to complement each other's efforts.

In this chapter, MGI discusses six types of intervention for all stakeholders that can help bridge the gender gap. From the experience of efforts thus far, we highlight the elements of programs and initiatives that appear to be key to success. We also focus on ways that businesses can play a bigger role in concert with governments and NGOs.

SIX TYPES OF ACTION CAN HELP BOTH PUBLIC- AND PRIVATE-SECTOR STAKEHOLDERS TO ACCELERATE PROGRESS ON NARROWING GENDER GAPS

MGI undertook an extensive review of initiatives around the world that have been, or are being, implemented or piloted in different countries to address various aspects of the gender gap, and identified 75 interventions and more than 150 case examples. Based on a meta-analysis of available research, we believe that these interventions offer promising avenues to explore. It is difficult to verify the impact of each individual initiative for a variety of reasons. In many instances, rigorous gender-disaggregated data and impact evaluations do not exist. In other cases, it can take a long time for results to become clear and measurable, and in some instances initiatives may complement each other, making it difficult to disentangle the impact of one from another. We do not believe that any single intervention is likely to have a national-level impact on its own—a comprehensive and sustained portfolio of initiatives will be required.

We did not prioritize interventions because their impact can vary a great deal depending on where a country is on its development journey, and on its culture and social norms. As illustration, one study found that quotas may be a more effective way to elevate women into the boardroom in countries where people are culturally attuned to obeying authority and conforming to a clear set of social norms, but the use of successful women role models may work better in countries where the culture has less clear social norms, or a wide variation in the nature of prevalent norms.[74] Social contexts can also vary within a country. One study found that decision-making authority varies by state in India. For instance, women in Karnataka having fewer restrictions placed on their mobility compared with those in

[74] Geoffrey J. Leonardelli and Soo Min Toh, "Cultural constraints on the emergence of women leaders: How global leaders can promote women in different cultures," *Organizational Dynamics*, volume 42, number 3, July 2013.

Uttar Pradesh, but have less authority in spending decisions.[75] More analysis therefore needs to be undertaken in order to tailor interventions to distinct social contexts.

The multifaceted nature of gender issues makes it impossible to design simple one-size-fits-all solutions and for a single stakeholder to drive change. Governments and NGOs clearly have a major role to play across interventions, and business can make vital contributions in several of them. Achieving progress requires linking multiple initiatives and stakeholders to develop a gender equality strategy, and committing to its implementation with different players from governments to social- and private-sector organizations bringing their unique strengths and expertise to the table.

The multifaceted nature of gender issues makes it impossible to design simple one-size-fits-all solutions and for a single stakeholder to drive change.

We classified the interventions into six types: financial incentives and support; technology and infrastructure; the creation of economic opportunity; capability building; advocacy and shaping attitudes; and laws, policies, and regulations. Action in these areas can have a decisive impact on the 15 gender equality indicators discussed in Chapters 2 and 3 (see the appendix for examples of programs and initiatives tackling each of the 15 indicators of gender equality). The interventions that we surveyed provide a useful array of potential tools and approaches to address the ten impact zones we identified as potential priorities in Chapter 3.

We now discuss each of the six types of intervention in turn. (For further detail, see Exhibits 24 to 26.)

Financial incentives and support

A number of financial mechanisms can help to incentivize behavioral changes within families and communities and to remove monetary barriers to women's participation in the workforce.

One mechanism that has proved effective is the provision of cash transfers and the payment of school fees (both conditional and unconditional) to help keep girls in school, delay marriage, and dissuade pregnant women from undergoing selective abortions. Morocco's Tayssir cash transfer program, for instance, consisted of modest transfers per household of about 5 percent of annual household consumption to families for educational spending. One form of the scheme was a "labeled" cash transfer, which explicitly linked the transfer to an education goal but stopped short of placing conditions on attendance or enrollment. It helped reduce dropout rates by about 75 percent and increased by about 80 percent re-entry into schooling by those who had previously dropped out.[76] While the scheme targeted both boys and girls, it proved especially effective in encouraging girls to stay in or return to school. The Naning'oi Girls Boarding School project in Kenya substitutes the traditional practice of "booking" girls for marriage with booking them for school instead; in this program, the traditional dowry of livestock or gifts to the girl's parents is given in exchange

[75] Lupin Rahman and Vijayendra Rao, "The determinants of gender equity in India: Examining Dyson and Moore's thesis with new data," *Population and Development Review*, volume 30, issue 2, June 2004.

[76] Najy Benhassine et al., *Turning a shove into a nudge? A "labeled cash transfer" for education*, NBER working paper number 19227, July 2013.

for her going to school rather than getting married.[77] Similar types of financial support include voucher programs to help women pay for maternal and reproductive health care.

Using the tax system to support allowing both spouses to work and giving tax credits for child care are also useful approaches. For instance, Canada reduced the tax contribution of secondary earners, and this resulted in an increase in female labor-force participation.[78] Universal publicly funded or subsidized child care has also been the focus of governments in some countries. For instance, the Swedish government runs subsidized child-care centers for children below the age of six.

It should be noted that all financial mechanisms need careful implementation. For instance, cash transfers may not fundamentally affect attitudes toward keeping girls in education and delaying marriage, and can even entrench the view among families that girls are a financial burden. Some programs have tried to address this issue by embedding financial incentives into a larger portfolio of interventions including capability building and programs to shift attitudes.[79]

The public sector and non-governmental organizations are typically the central players in deploying financial interventions, but the private sector can also make an important contribution. For instance, companies can introduce scholarships for girls to support their schooling, and advocate for policy changes such as the removal of tax disincentives for both spouses working and subsidized child care.

Technology and infrastructure

These interventions use physical and digital infrastructure to improve access among girls and women to essential services such as health care and education, enhance the physical safety of girls and women, and reduce barriers to them taking up productive employment.

The public and private sectors can each contribute to physical infrastructure such as schools, safe and affordable transport infrastructure, safe houses and shelters, and digital infrastructure. In the case of physical infrastructure, one public-sector example is the Education Enhancement program in Egypt, which focused on building schools in areas with low rates of enrollment for girls. In Brazil, electronic kiosks at stations on suburban rail lines that primarily serve poor communities disseminate information on support for violence survivors. Working together or separately, the public and private sectors can do a great deal to ensure that digital technology is more widely available to women, particularly those living in remote and rural areas. Telecom firms Vodafone and Ericsson are undertaking initiatives to help educate women and boost reading skills, for instance through mobile literacy apps, and to bring laptops and Internet access to schools in developing countries. Vodafone's TecSoS device connects women quickly to emergency services if they are subjected to violence, and then transmits location information and automatically records all activity near the device, thereby gathering information that can subsequently be used as evidence in court. In low-income countries, where mobile phones are common but smartphone penetration is limited, text-message programs can deliver information on family planning and maternal health, as CycleTel has done in India.[80] Uninor aims to drive sales growth in India by using women retailers to promote innovative mobile prepaid connections with shared benefits targeted at couples in rural areas. Infrastructure that provides energy and water in homes can reduce time spent on unpaid work, as can affordable child-care

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77 Saranga Jain and Kathleen Kurz, *New insights on preventing child marriage: A global analysis of factors and programs*, International Center for Research on Women, April 2007.

78 Evridiki Tsounta, *Why are women working so much more in Canada? An international perspective*, IMF working paper number 06/92, April 2006.

79 Susan Lee-Rife et al., "What works to prevent child marriage: A review of the evidence," *Studies in Family Planning*, volume 43, number 4, December 2012.

80 Georgetown University's Institute for Reproductive Health website.

centers. Another type of example is action by IT and business-process outsourcing firms in India worried about female talent leaking away because of poor physical safety. Several companies are investing in providing physical escorts for women leaving work late or using tracking devices on vehicles to ensure that correct routes home are followed.

Creation of economic opportunity

Gender inequality in work can be addressed by opening up more avenues for productive work and entrepreneurship among women, as well as lowering barriers to retaining women in their jobs and enabling them to be successful. These are areas where the private sector is in a particularly strong position to have an impact.

Companies can set explicit diversity goals in recruiting and across all levels of the organization, and can implement workplace policies supporting flexible employment options, adequate parental leave, sponsorship, and leadership training for women. Vodafone, for example, has established global minimums of 16 weeks of fully paid maternity leave, followed by six months in a flexible arrangement on return during which time women can work 30 hours per week on full salary.[81] Rio Tinto in Australia has developed a policy on flexible work arrangements aimed at supporting employees with family duties who cannot work traditional schedules; the company offers flexible working hours and part-time and job-sharing options.[82]

In addition, companies need to recognize and promote a variety of leadership styles. McKinsey's 2013 Women Matter research found that close to 40 percent of female respondents and 30 percent of male respondents believed that women's leadership and communication styles are incompatible with those in the senior leadership of their companies. This underscores the importance of establishing criteria for recruiting and reviews that are unbiased and objective. Such workplace initiatives can not only ensure women stay and thrive in the workforce, but also build a robust pipeline of future women leaders.

Companies can also offer skill-building programs linked to subsequent job placement and employment opportunities, thereby creating job opportunities for women and simultaneously securing their own access to new skilled labor pools. Retailer H&M is setting up a skills training and certification program for workers in the garment industry, who are typically women.[83] General Electric, Saudi Aramco, and Tata Consultancy Services have established an all-female business processing center in Riyadh that also includes training programs for new recruits. An example of a program of business training to enhance the productivity and self-confidence of women employees is Gap's PACE initiative in garment factories. An evaluation by the International Center for Research on Women found that this program increased workplace efficiency as well as workers' self-esteem.[84]

Providing skills and leadership training for female entrepreneurs is another promising area.[85] More companies could make a commitment to expanding the number of women-led businesses in their supply chain as the Walmart Foundation has done. Walmart is focused on increasing its sourcing from businesses owned by women and has launched

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81 Vodafone website.

82 Jane Nelson et al., *A path to empowerment: The role of corporations in supporting women's economic progress*, Harvard Kennedy School and U.S. Chamber of Commerce, April 2015.

83 *Breaking through: Inclusive business and the business call to action today—mapping challenges, progress and the way ahead*, UN Development Programme, September 2014.

84 Priya Nanda et al., *Advancing women, changing lives: A comprehensive review of the Gap Inc. PACE program*, International Center for Research on Women, 2013.

85 One 2012 study estimated that some 126 million women were starting or running new businesses in 67 economies around the world, and an estimated 98 million were running established businesses. At least half of all female entrepreneurs globally operate in the consumer sector. See Donna J. Kelley et al., *Global entrepreneurship monitor: 2012 women's report*, Babson College, 2013.

training programs such as those that train female (and male) farmers to improve production and post-harvest practices, and those that train for female factory workers in life skills.[86] Walmart believes that empowering women economically will make the company more successful and says that it wants to be viewed by women—the majority of its over 200 million customers—as the retailer that understands them and cares about them in stores and communities.[87] The financial services firm Goldman Sachs sponsors the 10,000 Women initiative, which provides women in developing economies with business education, mentoring, and access to capital in order to equip them for success as entrepreneurs. In 2014, the 10,000 Women initiative and the International Finance Corporation launched a $600 million effort to enable approximately 100,000 women-owned small and medium-sized enterprises (SMEs) to access capital.[88]

Another initiative that could deliver genuine economic opportunities for women, while securing competitive advantage for companies, is developing female-oriented sales channels that not only create jobs but may result in higher appeal among women consumers. China's Bank of Deyang set up its first branch dedicated to women with the aim of reaching 4,300 women-owned SMEs and disbursing $458 million in loans to such businesses. Unilever's Shakti program has trained more than 70,000 rural women in India as microentrepreneurs to sell its products and used this as a means to extend its brand to rural locations.[89]

Developing female-oriented sales channels not only creates jobs but may result in higher appeal among women consumers.

Capability building

An important part of any global effort to promote gender equality is helping to develop the capabilities of girls and women through education and training, and to ensure that men in general as well as important community members (of both sexes) such as teachers, medical professionals, and law enforcement officers have the training to deal with gender issues when they arise. Capability building is important for many aspects of gender equality, from violence against women and reproductive health to financial and digital inclusion. Public-, private-, and social-sector stakeholders can all make contributions here.

Action to ensure that education systems help to deliver capabilities among girls and women include doing more to provide high quality education, equip girls with STEM capabilities, give girls access to a broad range of life skills and vocational training, and give women education levels on maternal and reproductive health and even financial and digital literacy. There are many examples of action on these fronts. One is an initiative run by the NGO Girls Inc. in the United States, which offers after-school programs for girls that mix socializing and peer support with math and science education, pregnancy and drug-abuse prevention, media literacy, economic literacy, and sports participation. Another is a program in Côte d'Ivoire by the public sector and the UNFPA that provides comprehensive sex education in schools to reduce teen pregnancy rates. Intel's "She will connect" program in developing countries develops digital literacy through training programs,and the creation of an online gaming platform to deliver content and an online peer network. The Allstate Foundation supports violence survivors by providing them with financial training, including budgeting

86 *Partnering for impact: USAID and the private sector*, 2014–2015, USAID, March 2015.
87 Walmart website.
88 Goldman Sachs website.
89 Unilever website.

and investing techniques. In the United States, a program from Kaiser Permanente hospital network trains medical staff to identify instances of violence early, and what referral and support protocols they should use.

Advocacy and shaping attitudes

Attitudes and social norms exert a heavy influence on gender equality issues, as we have discussed, and these cannot easily be budged. But acting on this front is a priority if barriers to closing the gender gap are to be removed. Interventions include dialogue with individuals and with communities, including women, men, parents, community leaders, and adolescents; the introduction of role models, support, and peer groups for women; and national awareness efforts using mass and social media. For example, the NGO Save the Children offers a Choices program that uses workshops to change gender attitudes among young people that has had considerable impact.[90]

Community-based interventions require grass-roots resources, so achieving scale may be a challenge. Two ways to address this are leveraging existing government infrastructure and community organizations in rural areas such as *panchayats* or village councils in India to drive change, and supporting community organizations with best practices and tool kits on how to shift social norms. The NGO Raising Voices has created an online SASA! tool kit to help change attitudes toward violence against women. An evaluation of this tool in Uganda found that communities where the SASA! approach had been implemented had 52 percent lower incident rates of physical intimate-partner violence in recent years than control communities, and that acceptance of intimate-partner violence was 87 percent lower for men and 46 percent lower for women.[91]

Companies are also paying increased attention to the role that unconscious biases can play in hiring, retention, and promotion, and the important role that attitudes can play in developing women leaders. As illustration, McKinsey's 2013 Women Matter research found that women's ambitions for leadership are as high as those of men; however, their beliefs in their chances of success are about 15 percentage points lower. Similarly, only 30 percent of women in a McKinsey survey in Europe said they believed that the evaluation system in their company treated men and women equally.[92] The same study found evidence of companies seeking to correct invisible biases through training for managers to shift their perceptions, getting skeptics more involved in the diversity initiatives, and targeting the attitudes of top teams.

Companies can have a significant impact on attitudes outside their workplaces, too, through their public relations, marketing, and corporate social responsibility efforts. Corporate sponsorship is one effective tool. The Allstate, Avon, and Mary Kay foundations have funded initiatives to combat violence against women in the United States. Social media campaigns can be highly effective. Verizon's #inspirehermind campaign uses digital and social media to encourage girls to enter math and science fields. Procter & Gamble's #SharetheLoad television campaign in India draws attention to the societal belief that laundry is exclusively a woman's job. Company employees can also serve as role models for girls and help share their aspirations. An example is the Million Women Mentors program, based in the United States, which aims to engage one million STEM mentors through corporate partnerships.

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90 *Utilizing participatory data collection methods to evaluate programs for very young adolescents: An evaluation of Save the Children's Choices curriculum in Siraha, Nepal*, Institute for Reproductive Health, Georgetown University, August 2011.

91 Tanya Abramsky et al., "Findings from the SASA! Study: A cluster randomized controlled trial to assess the impact of a community mobilization intervention to prevent violence against women and reduce HIV risk in Kampala, Uganda," *BMC Medicine*, volume 12, number 122, July 2014.

92 *Making the breakthough*, Women Matter 2012, McKinsey & Company, March 2012.

Laws, policies, and regulations

While there is no consensus about minimum expectations for gender equality in society, clear standards, laws, and regulations are needed. Governments can create the right climate through legislation while companies can collaborate with NGOs in advocacy to achieve more gender-friendly laws.

The onus is on governments to create a strong legal framework to protect the rights of women in order to combat issues such as violence against women, and to implement and enforce antidiscrimination legislation. Brazil, for instance, enacted the Maria da Penha law, a comprehensive piece of legislation that established specialized courts for domestic and family violence and created a network of shelters and police stations to help survivors. Sweden provides for 480 days of parental leave with benefits, with 60 days reserved specifically for each parent. In the Netherlands, part-time and full-time workers are guaranteed the same employment protection and social security coverage by law.[93] Some laws address lack of parity in compensation. Belgium, for instance, adopted a law that requires companies with more than 50 workers to conduct analysis of gender pay gaps and produce action plans to address issues.

Beyond establishing laws to combat discrimination, the public sector (and NGOs) can undertake education and awareness efforts to inform women of their rights. NGOs can also act as advocates for the marginalized. The Cambodian Women's Crisis Center, for example, conducts outreach to inform women and communities on laws on violence against women, and undertakes advocacy efforts through media campaigns and with policy makers.

It is important to note that legislation and mandatory policies that create an enabling environment for women do not, on their own, address gender equality issues. Prevailing social norms and customary practices in many countries have an impact on the ability to enforce legislation. Moreover, laws aimed at supporting women can have the opposite impact. For instance, laws banning sex-selective abortion could drive women to unregulated abortion clinics.[94] Therefore, the design and implementation of policies and laws should be undertaken carefully, with the public sector working hand in hand with other key stakeholders, such as NGOs, to understand the long-term implications of policy change.

[93] Chad Steinberg and Masato Nakane, *Can women save Japan?* IMF working paper number 12/248, October 2012.

[94] Prabhat Lamichhane et al., "Sex-selective abortion in Nepal: A qualitative study of health workers' perspectives," *Women's Health Issues*, volume 21, issue 3 supplement, May-June 2011.

Exhibit 24

Targeted interventions to drive impact

- Primarily public sector and NGOs
- Private sector alone or with public sector/NGOs

Impact zones

Global

1. Blocked economic potential
2. Time spent in unpaid care work
3. Fewer legal rights
4. Political underrepresentation
5. Violence against women

Regional

6. Low labor-force participation in quality jobs
7. Low maternal and reproductive health
8. Unequal education levels
9. Financial and digital exclusion
10. Girl-child vulnerability

Intervention[1]	1	2	3	4	5	6	7	8	9	10
Financial incentives and support										
Financial transfers (e.g., cash transfers, scholarships, voucher programs)						●	●	●	●	●
Incentives/penalties for businesses that do/do not comply with gender-related policies or laws	●		●							
Reduction in taxes on mobile and Internet access									●	
Special funds/incentives to help women seeking political office				●						
Subsidies on financial products (e.g., zero fees, no opening balance)									●	
Subsidized Internet access									●	
Subsidized or state-funded child-care provision	●	●				●				
Tax policy to encourage both spouses working (e.g., secondary earner contribution, credits for child care)	●					●				
Technology and infrastructure										
Access to safe and affordable transportation (e.g., to schools, work, for high-risk pregnancies)					●	●	●	●		
Access to water, sanitation, and clean energy sources for cooking		●				●				
Adequate school capacity, with sanitation facilities for girls								●		
In-office or affordable external child care	●	●				●				
Low-cost/easy-to-use contraceptive methods							●			
Mobile and digital content for NGOs to track progress on gender equality laws			●							
Mobile and digital content targeted at self-employed women and entrepreneurs	●					●				
Mobile and digital content to raise awareness and/or disseminate information (e.g., about reproductive health, legal rights)	●		●		●		●	●	●	
Mobile plans and Internet packages for women (e.g., low-cost options)									●	
New Internet access options (e.g., mobile Internet, local language interface)									●	
Sales and store infrastructure catering to women, including female-only public Internet access									●	
Shelters, safe houses, and health services with skill building, legal help, and therapy					●					●
Specialized hospitals, waiting houses, and mobile clinics							●			
Telecommuting to enable flexible work locations	●					●				
Well-equipped supply chains for contraceptive products							●			

1 Categorization of interventions by stakeholder group based on typical primary stakeholder in the case examples discussed in the appendix.

SOURCE: McKinsey Global Institute analysis

Exhibit 25

Targeted interventions to drive impact (continued)

- Primarily public sector and NGOs
- Private sector alone or with public sector/NGOs

Impact zones

Global

1. Blocked economic potential
2. Time spent in unpaid care work
3. Fewer legal rights
4. Political underrepresentation
5. Violence against women

Regional

6. Low labor-force participation in quality jobs
7. Low maternal and reproductive health
8. Unequal education levels
9. Financial and digital exclusion
10. Girl-child vulnerability

Intervention[1]	1	2	3	4	5	6	7	8	9	10
Creation of economic opportunity										
Business and financial training, mentoring support to female entrepreneurs	●					●			●	
Corporate policies on sexual harassment at work					●					
Financial products for women, including entrepreneurs (e.g., non-traditional collateral, microfinance)	●				●	●			●	
Fixed salaries for specific jobs and roles, eliminating negotiations	●									
Flexible, part-time employment and leave policies with equal benefits and no impact on wage gap	●					●				
Job placement and internship programs					●	●		●		●
Leadership, confidence building, and negotiations training	●									
Merit-based targets for number of women in all roles, including in recruiting	●					●				
Programs to smooth transitions before, during, and after parental leave	●					●				
Signaling and structurally addressing the "anytime-anywhere" work culture	●									
Sponsorship, mentoring, and peer-support networks	●					●				
Supply-chain and sales partnerships (e.g., women-owned businesses)	●					●				
Unbiased recruiting, reviews (e.g., objective criteria)	●					●				
Vocational training and skill building						●		●		
Women-only banks that cater to female entrepreneurs	●					●			●	
Women's advancement integrated into leadership review metrics	●									
Capability building										
After-school coaching programs (e.g., math and science, skills training)						●		●		
Agricultural extension services for women						●				
Awareness building in communities on need for new laws and enforcing existing laws			●							
Capability building in institutions (e.g., police, health-care providers, media)			●		●		●	●		
Comprehensive sex education in schools							●			
Contraceptive information at health-care facilities (e.g., as part of checkups)							●			
Digital literacy programs						●			●	
Financial literacy programs						●			●	
Life skills training (e.g., confidence building, financial training), including vocational training					●			●		●
Networking, mentorship, and political capacity building for women				●						

1 Categorization of interventions by stakeholder group based on typical primary stakeholder in the case examples discussed in the appendix.

SOURCE: McKinsey Global Institute analysis

Exhibit 26

Targeted interventions to drive impact (continued)

- Primarily public sector and NGOs
- Private sector alone or with public sector/NGOs

Impact zones

Global

1. Blocked economic potential
2. Time spent in unpaid care work
3. Fewer legal rights
4. Political underrepresentation
5. Violence against women

Regional

6. Low labor-force participation in quality jobs
7. Low maternal and reproductive health
8. Unequal education levels
9. Financial and digital exclusion
10. Girl-child vulnerability

Intervention[1]	1	2	3	4	5	6	7	8	9	10
Capability building (continued)										
Training community members to provide services (e.g., act as teachers)							●	●		
Training on salary negotiations	●									
Advocacy and shaping attitudes										
Advocacy efforts with policy makers to implement and enforce robust laws			●		●					●
Awareness efforts within companies on gender issues, including targeting men	●					●				
Community-based dialogues (e.g., with community leaders, men, parents)		●			●		●	●		●
Female role models for schoolgirls (e.g., business leaders, teachers)	●					●		●		
Mass and social media-based awareness campaigns	●	●	●	●	●	●	●	●		●
Support and peer groups for girls								●		
Unconscious bias training in companies	●					●				
Laws, policies, and regulations										
Ban on prenatal sex disclosure										●
Company reporting on internal and external diversity efforts	●					●			●	
Comprehensive national plans, including to address gender-specific barriers (e.g., to increase educational attainment for girls, for maternal health, etc.)							●	●	●	
Laws mandating minimum educational attainment for all								●		
Legislation against child marriage										●
Legislation to protect women at work (e.g., equal pay, anti-harassment laws)	●					●				
Legislation to provide maternity/paternity leave (with benefits)	●	●				●				
Legislation to reduce bias against girls, improve status (e.g., anti-dowry laws)										●
Mainstreaming of gender in policy (e.g., through gender equality groups)				●						
Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	●	●	●	●	●	●	●	●	●	●
Periodic review and revision of gender equality legislation			●							
Quotas for women in leadership (e.g., boards, political candidates, in political office)	●			●						
Referral system for obstetric issues							●			
Removal of legal barriers to work (e.g., right of women to work night shifts)						●				
Specialized resources for gender-related cases (e.g., fast track courts)			●		●					
Strong violence against women laws and enforcement					●					
Transparent rules in political parties on candidate selection and promotion				●						

1 Categorization of interventions by stakeholder group based on typical primary stakeholder in the case examples discussed in the appendix.

SOURCE: McKinsey Global Institute analysis

THE SUCCESS OF INITIATIVES DEPENDS ON HOW THEY TACKLE DEEP-ROOTED ATTITUDES AND BEHAVIOR, AND ACHIEVE SCALE EVEN WHILE TRANSFORMING ONE MIND AT A TIME

There is a wealth of initiatives around the world to addressing the gender gap. But what makes some successful and others less so? As part of our review, we examined a range of factors that appear to have helped make initiatives effective. Here we highlight several such factors with an example illustrating each.

- **Tackling multiple barriers simultaneously.** The most successful programs to address gender issues work holistically. The initiative mounted by Garanti, Turkey's second-largest private bank, to overcome limited access to financial services for women is a case in point.[95] The bank was the first in the region to offer products and services specifically targeted at female entrepreneurs. Turkey has hundreds of thousands of SMEs in the formal economy, and 38 percent are owned or run by women; more than half of these were excluded or underserved in terms of finance. Garanti developed a three-pronged strategy to target this group: funding, education and entrepreneurship training, and encouragement, all of which tackled various barriers to increased financial inclusion of female entrepreneurs. In addition to making traditional commercial loans and letters of credit available with minor pricing concessions, the bank created innovative products. The gold loan, for example, allows women to use gold as collateral, taking advantage of the fact that Turkish women tend to own valuables like gold jewelry. Garanti holds gatherings of female entrepreneurs across the country to discuss topics such as marketing and e-commerce. The bank also has a partnership with a university to create a mini-MBA program for women and has established an award for the female entrepreneur of the year. The bank is an active member of the Global Banking Alliance for Women, which aims to identify and share best practice in delivering financial services to women around the world. By 2013, 10 percent of Garanti's SME customers were women, with $900 million in outstanding loans. The International Finance Corporation has said that the bank has acted as a role model for other banks in the region and that there is potential for Garanti to further expand its offering to cater to diverse female customer segments, and to increase the share of women-led businesses in its supply chain.

Working with women and the community to design interventions can help ensure the relevance and impact of the interventions.

- **Involving women in diagnosing issues and suggesting solutions.** Working with women and the community to design interventions can help ensure the relevance and impact of the interventions. The British supermarket chain Asda recognized the "leaky pipeline" of women in its company, with women comprising about 70 percent of the hourly sales force but only 30 percent of employees suitable for management promotions. The company engaged directly with its employees to understand barriers to the recruitment, retention, and promotion of women. It identified issues such as perceived long hours, a lack of self-confidence, and limited role models that were holding women back. Asda undertook specific initiatives to tackle such barriers, including training managers on unconscious bias, launching a Women in Leadership program with mentoring and training components, and incorporating diversity metrics in leadership

[95] *Case study: Garanti Bank SA: Combining SME banking excellence with a proposition for women entrepreneurs in Turkey*, International Finance Corporation, March 2014.

performance reviews. These initiatives resulted in a 4 percent increase in female store managers and a rise in the share of promotion-ready female employees from 30 percent to 67 percent.[96]

- **Engaging the right stakeholders.** Different stakeholders can exert a major influence on gender issues, and it is therefore important that programs take this into account and choose the right one(s). Community elders tend to influence social norms in many countries, mothers-in-law may influence reproductive health decisions, and male business leaders may play a role in sponsorship and employment policies for women in the workplace. Men in the community were targeted explicitly by the Husband's School in Niger, an initiative instituted by the United Nations Population Fund in 2007 in response to a study that concluded that men are the key determinant of whether women seek maternal and reproductive health services. The initiative established 11 pilot schools for husbands that brought together married men, health authorities, and NGOs twice a month to discuss such topics as reproductive health, child spacing, and contraceptive use, and to identify solutions. These forums help to change how men perceive reproductive health, and male participants, in turn, influence their wives' behavior. The program, which now has more than 100 schools, has had considerable success. In some communities it serves, the use of family planning has tripled, as has the rate of prenatal visits.[97]

- **Creating partnerships to tap diverse skill sets.** Some of the most successful interventions tackling gender inequality are those that bring together disparate partners in innovative collaborations. The World Economic Forum has highlighted the case of the Bell Bajao—Ring the Bell—campaign in India launched in 2008. This is a joint effort involving Breakthrough, an NGO operating in India, and the United States, multinational Ogilvy & Mather, India's Ministry of Women and Child Development, and the UN Trust Fund to End Violence against Women. The initiative aimed to increase awareness of domestic violence and the legal protection available from such violence.[98] The campaign included public service announcements on TV and radio, content featured in popular soap operas and TV shows, and the involvement of high-profile celebrities. Video vans broadcast messages across urban and rural India. Bell Bajao also uses street theater and other community programs. In parallel, Breakthrough provided education and training to young people, community leaders, non-profit groups, and government officials. The impact of this effort has been significant. The campaign has been viewed by more than 200 million people, and more than 75,000 have interacted directly with community advocates. The campaign is now working to expand its efforts globally. One of the success factors of this campaign was leveraging the strengths and expertise of each of the individual partners. Ogilvy & Mather worked pro bono and brought high-level marketing and media capabilities to the project. Breakthrough lent its expertise in creating content and mobilizing communities. The Ministry of Women and Child Development was able to secure free broadcast time on national channels. The coalition was also able to engage high-profile spokespeople as partners, including UN Secretary-General Ban Ki-moon, who joined Bell Bajao as its first global champion. Identifying such partnerships can help accelerate the path to impact as well as help achieve scale.

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96 Jane Nelson et al., *A path to empowerment: The role of corporations in supporting women's economic progress*, Harvard Kennedy School and U.S. Chamber of Commerce, April 2015.

97 *MDG report 2014: Assessing progress in Africa toward the Millennium Development Goals—analysis of the common African position on the post-2015 Development Agenda*, United Nations Economic Commission for Africa, African Union, African Development Bank and United Nations Development Programme, 2014.

98 www.bellbajao.org/.

>50
countries use MAMA messages

- **Leveraging digital technologies.** Digital technologies can be a powerful tool to address gender issues. One example of a dynamic initiative in this area is the Mobile Alliance for Maternal Action (MAMA) founded by the United States Agency for International Development, Johnson & Johnson, the United Nations Foundation, and BabyCenter.[99] MAMA uses mobile technology to deliver free messages to pregnant women and new mothers on pre- and postnatal health. MAMA directly supports programs in Bangladesh, India, and elsewhere, and it creates tools and resources that other organizations can use. MAMA messages are used in more than 50 countries. In Bangladesh, for instance, MAMA delivers information twice a week via text message or 60-second voice messages. In two years, the service has reached more than one million subscribers. Data on MAMA subscribers in Bangladesh show higher pre- and postnatal visits and more births taking place in health institutions than in the overall population. The success of this initiative relies on leveraging high rates of mobile penetration to reach a large number of women, including those who are in poor and vulnerable populations and may not otherwise have access to timely, quality health care. In Bangladesh, 35 percent of MAMA subscribers have a primary school education or less. The initiative benefits from the input of a variety of stakeholders, including health-care experts who develop the content, private-sector donors, and NGOs working on the ground to deliver content. It is also effective because it can be tailored to each country, for instance to local languages. The next phase will be to move from donor funding to a more self-sustaining financing model. MAMA Bangladesh is examining developing sophisticated mobile apps for higher-income segments that could pay for the text-message-based services offered to poorer populations.

Girls aged 10–14 in Ethiopia's Berhane Hewan program

3x
more likely to be in school

- **Measuring impact.** Any change program conducted by government or business needs to monitor progress and measure results so that best practice can be identified. The same is true in the case of any program tackling gender inequality. Such measurement can be time- and resource-intensive, and it is challenging to cope with often limited sample sizes and to isolate the role of specific interventions as opposed to external factors. Nevertheless, such measurement is vital. The Berhane Hewan program to address child marriage in Ethiopia, undertaken by the Population Council and the regional government between 2004 and 2008, included asset transfers conditional on delaying girls' marriage during the course of the intervention, the provision of school supplies to remove barriers to accessing education, community dialogues to address norms, and mentorship and skill building programs for girls. This initiative was evaluated between 2004 and 2006 with a baseline survey at the start followed by a final survey of both sites within the initiatives and those without. The survey administrators were chosen from local areas and were relatively young—aged 20 to 28—with the explicit aim of making adolescent survey respondents feel comfortable. The evaluation found that, at the end of the program, girls in the intervention sites aged 10 to 14 were one-tenth as likely to be married, and their likelihood of being in school was three times that of girls in control sites. This program demonstrated that child marriage and educational status can be influenced through targeted interventions. Researchers are now engaged in a second phase to evaluate the cost-effectiveness of the program and identify the individual impact of each type of intervention, the aim being to design and tailor more efficient interventions.[100] The implication for companies is that they should begin gathering gender-disaggregated data and track performance metrics on gender diversity initiatives not only within their own companies but also among their suppliers, distributors, and consumers. This will help them to evaluate the efficacy of initiatives, evaluate and monitor

[99] www.mobilemamaalliance.org/.

[100] *Building evidence on effective programs to delay marriage and support married girls in Africa*, Population Council, USAID, UNFPA, PEPFAR (the U.S. President's Plan for Emergency AIDS Relief), and the Ethiopia Ministry of Women's, Children's, and Youth Affairs, July 2014; Annabel S. Erulkar and Eunice Muthengi, "Evaluation of Berhane Hewan: A program to delay child marriage in rural Ethiopia," *International Perspectives on Sexual and Reproductive Health*, volume 35, number 1, March 2009.

the returns to their businesses from investing in women , and establish and share best practices.

Gathering gender-disaggregated data and tracking performance metrics on gender diversity initiatives is vital to establishing and sharing best practices

- **Codifying and sharing best practice.** Expert practitioners can do much to scale up solutions by identifying, testing, and refining best practice, and by finding creative ways to disseminate them. Strategic partnerships can then help to scale up the dissemination of these practices. Based on its on-the-ground experience, the Forum for African Women Educationalists collaborated with teachers in Kenya, Rwanda, and Tanzania to develop a "gender-responsive pedagogy" manual in 2003 as a handbook on best practice for teaching and creating a learning environment where girls can thrive. Schools in these countries served as pilots for the techniques developed in the manual.[101] The forum now collaborates with ten teacher training colleges and various ministries of education in five African countries to include gender-responsive pedagogy in these countries' curricula. More than 6,000 teachers have undergone this training since 2005.

- **Channeling overall development budgets in a gender-friendly way.** Any concerted effort to promote gender parity requires resources. And significant global development commitments, such as Sustainable Development Goals, cannot be met without allocating resources specifically to gender gaps that are a core component of the overall developmental gaps the world seeks to address. One study estimated that the cost of empowering women in five low-income countries as part of the Millennium Development Goals would be 9 to 19 percent of their 2003 GDP, representing 35 to 50 percent of the total cost required to meet these goals.[102] The major share of the costs associated with gender equality comes from gender-neutral goals such as improved access to water, tackling infectious diseases, and nutritional interventions. It is therefore difficult to disentangle the resources needed to move toward gender parity and those needed to bridge gaps in public and social infrastructure and services. Therefore, it is important to ensure that all investment is equitably deployed in a gender-neutral way.

BUSINESSES CAN ADOPT A RANGE OF INITIATIVES TO REDUCE GENDER INEQUALITY—VIEWING THESE AS OPPORTUNITIES NOT COSTS

Many of the interventions we highlight in this research are the natural responsibility of governments. It is, for instance, in their purview to enact laws removing barriers to women entering the workforce (such as the right of women to work night shifts), mandating protection of women in work, or setting quotas for the number of women as candidates for political office or on company boards. It is also largely the domain of government to provide infrastructure and basic services such as safe transport and sanitation facilities for girls in all schools in a gender-friendly way, to establish national plans and protocols for maternal and reproductive health, or to set up specialized courts that handle gender-based violence.

[101] Core teaching includes lessons on how girls respond in the classroom and the best teaching and learning materials, guidance on language to use in the classroom, classroom setups, and interactions that create positive learning environment for them. It also addresses the handling of such issues as sexual maturation and sexual harassment. See Penina Mlama, *Gender and education for rural people*, presented at Ministerial Seminar on Education for Rural People in Africa in Addis Ababa, Ethiopia, September 7–9, 2005.

[102] Caren Grown et al., *The financial requirements of achieving gender equality and women's empowerment*, a paper produced for the World Bank, Levy Economics Institute of Bard College working paper number 467, August 2006.

3.2M
more college-educated workers in advanced economies in 2020 by doubling growth in female participation

The interventions we reviewed typically require multiple stakeholders to act together, and each of the six types of intervention offers an opportunity for the private sector to get involved. It is clear that businesses stand to gain individually and collectively from a more gender-equal world. The potential benefits to GDP growth that we have identified can have a positive impact on all companies. In addition, companies that embrace gender diversity and develop effective business models that target women as consumers, distributors, or suppliers can gain greater competitive advantage and growth in profits. There is evidence, for instance, that increasing the presence and representation of women in leadership positions within companies is correlated with improved performance.[103] Gender equality can help companies access a wider pool of talent, improve retention, and lower the considerable costs of staff turnover. Equal participation of women is also important given the widening skill gap in areas such as STEM. Previous MGI research has found that advanced economies are likely to face an estimated shortfall of 18 million workers with tertiary degrees by 2020 and could bridge 3.2 million of that gap by doubling historical growth in the participation rate of women of prime working age.[104] Focusing on women as key constituencies could help firms enhance understanding of their customer base and target female consumers better.[105] Companies can also work with supplier and distributor organizations to promote diversity and invest in women as partners in their supply chains and distribution channels, as Unilever and Walmart are doing. Such measures could develop more stable business models and enable outreach to a new and larger consumer base. More research is needed to evaluate the upside to businesses from such investment.

The starting point for CEOs contemplating action on gender is to express their personal commitment to gender equality and make it a genuine strategic priority for their company. Then they need to determine where they want to follow through on the spectrum of available action, from pursuing gender diversity in their own companies to being a partner in driving social change.

Start change from within to attract and retain a diverse talent pool

Boosting gender diversity within their own operations gives businesses access to a wider pool of talent and may improve retention, thereby lowering the considerable cost of staff turnover. Yet forthcoming McKinsey research suggests that while many companies say gender diversity is a priority, many of them do not reinforce that belief with quantified goals. The research further finds that companies that do set goals make more progress on women's representation than those that do not.[106]

[103] McKinsey's Women Matter research has revealed that firms with more than three women in top management positions scored higher than their peers on McKinsey's Organizational Health Index. This research indicates that women apply five of nine types of leadership behavior (e.g., role modeling and participative decision making) that are considered effective for the health or organizations more frequently than men. See McKinsey's Women Matter research at **www.mckinsey.com/features/women_matter** . Another study found that companies with at least one female director were correlated with firm returns that were higher by a compound rate of 3.7 percent a year compared with those posted by companies with no women on their boards. See Julia Dawson, Richard Kersley, and Stefano Natella, *The CS Gender 3000: Women in senior management*, Credit Suisse Research Institute, September 2014.

[104] *The world at work: Jobs, pay and skills for 3.5 billion people*, McKinsey Global Institute, June 2012.

[105] Studies have found that women are often the final decision makers on everyday household spending and that this role grows stronger as their earnings rise. See Selamah Abdullah Yusof and Jarita Duasa, "Household decision-making and expenditure patterns of married men and women in Malaysia," *Journal of Family and Economic Issues*, volume 31, issue 3, May 2010.

[106] A McKinsey and Lean In study to be launched in September 2015 discusses what companies could do to promote organizational gender diversity, based on data on the female talent pipeline, companies' policies and programs to support gender diversity, and an attitudinal survey about workplace gender diversity from 118 companies and 29,000 employees in North America.

Setting goals from the top and communicating them throughout the organization is critical (see Box 4, "Why top leadership commitment is crucial for gender diversity"). But to make goals achievable, gender-discriminatory practices and attitudes need to be addressed at all levels. They include fair hiring practices, a commitment to equal wages for equal work, clear rules and criteria for promotions, the elimination of gender biases in performance reviews, and an end to discriminatory practices and sexual harassment in the workplace. Research suggests that in some occupations—particularly corporate, financial, and legal ones—earnings fall disproportionately with working hours foregone; those who opt for flexible schedules to manage family responsibilities do so at a high cost.[107] Policies that do not penalize flexibility and part-time work arrangements and that promote options for telecommuting, provide adequate paternity and maternity family leave, provide on-site child care for employees, and revamp the 24/7 culture that especially harms women are all gender-neutral initiatives that can improve the work environment for men and women. Indeed, ensuring such employment policies are relevant and beneficial to both men and women is important to ensuring their widespread adoption and creating a corporate culture that supports both male and female employees.

[107] Claudia Goldin, "A grand gender convergence: Its last chapter," *American Economic Review*, volume 104, issue 4, April 2014.

Box 4: Why top leadership commitment is crucial for gender diversity

McKinsey's Women Matter global surveys of women and men executives have tried to understand what distinguishes top performing companies on gender diversity.

A survey of 235 companies conducted in Europe in 2012 found that, although 92 percent of companies had the CEO's commitment to strive for gender diversity, only 41 percent believed the commitment was being well implemented.[1] Concerns cited included gender diversity not being high enough on the agenda, and lack of clarity on what action was resulting from such a commitment. Respondents perceived that commitment to gender diversity lessened further down the organization. Senior management was regarded as being committed to gender diversity initiatives in 89 percent of the companies but middle management in only 81 percent.

An analysis of what separates successful companies from poor performers underscored the importance of driving gender diversity initiatives from the top. The best-performing companies on gender diversity—in which women made up more than 20 percent of executive committee and senior management positions—were perceived by employees as being 1.5 times more likely to have gender diversity squarely on the CEO's agenda, and about twice as likely to have top management commitment, too. Companies that are successful at fostering diversity have a CEO who sets clear and specific goals in this regard, appoints powerful executives who help to maintain vigilance on attitudes and practices, ensures pervasive sponsorship of women in the company, and drives accountability using a strong fact base and regular performance dialogues to monitor progress. The best performers also tended to have a culture that was aligned with gender diversity objectives, and performance metrics tracking the progress of gender equality initiatives.

[1] *Making the breakthrough*, Women Matter 2012, McKinsey & Company, March 2012.

Be a partner in driving broader social change

A more gender-equal economic and business environment for women—as suppliers, customers, and members of the broader community—can benefit companies in myriad ways.[108] In many countries, workforces in the formal part of the economy are only a small fraction of the total labor force; most people—of both genders—are employed in the informal sector or are self-employed. Helping women become more successful business owners and partners, suppliers, and distributors to large companies can offer benefits to the women as well as the companies. Some of these interventions not only narrow the gap by creating economic opportunities for women but may also represent business opportunities to fulfill women's unmet needs. They are typically embedded deep in companies' core businesses—their customer segmentation, product and service offerings, supply-chain management, and sales and distribution strategies—in ways that can drive business growth and yield direct economic returns.

CEOs could start by determining which segment of women they would like their company to have an impact on and tailoring its strategy to that segment. They can focus on relatively well-defined groups such as less-skilled women in rural areas, first-generation college graduates, female survivors of domestic violence, single earners, female owners of small businesses, or mothers returning to work, for instance. A tailored agenda could span four broad approaches:

- **Engage women actively as partners in supply chains and distribution channels.** Beyond harnessing the talent of women within their own operations, firms can benefit when they promote diversity among suppliers and distributors. Consumer, media, and civil society interest in gender equality in supply chains can only grow as firms globalize their operations and the world becomes more interconnected. Promoting diversity in terms of female employment and productivity in vendor and supplier organizations could create a more stable business model for large purchasing firms and, in the long term, ensure more robust growth for their supply-chain partners through reduced staff turnover and better staff retention—a win-win relationship. To achieve this, large private-sector companies could make themselves more aware of recruitment, payment, work allocation, supervision, and physical safety standards in partner organizations, and reward those that reduce gender discrimination or remove barriers preventing women from taking on more productive work. They could also develop sourcing partnerships with women-led businesses, support them with education and training, and ensure that they have access to capital. Some firms are exploring gender diversity in distributor networks as a way to reach new markets and improve their connections with female consumers.

- **Put unique business capabilities to work in creating change externally.** Some innovative and effective initiatives to promote gender parity have happened when private-sector companies have applied their core capabilities to help bring about social or economic change. This could take the form of technology companies developing apps for women, financial services firms targeting female entrepreneurs through credit and financial packages, and hospitals and health-care chains developing support centers for survivors of domestic violence, for instance. Such types of support could, in turn, benefit companies by enabling positive public relations and stronger brand loyalty, and offer opportunities for new business lines and revenue streams.

[108] *The business case for women's economic empowerment: An integrated approach*, Oak Foundation, Dalberg Global Development Advisors, International Center for Research on Women, and Witter Ventures, October 2014.

- **Empower women as part of corporate social responsibility efforts.** Including gender as a core corporate social responsibility theme can be a powerful tool to drive change. This could take the form of financial support for programs that focus on women and girls that, for instance, fund the construction of sanitation facilities in schools and scholarships as part of an effort to keep girls in school. Corporate social responsibility efforts can also include traditional and social media campaigns to promote positive messages. Individual employees can also serve as role models for girls to pursue professional careers by interacting with them in schools or community meetings, or inviting them into the workplace.

- **Lend voice as an agent of change.** The private sector can be a powerful advocate for action. This could take the form of advocacy efforts with the public sector, messaging within and outside of the company, and convening coalitions of change with the public sector, NGOs, and other private-sector stakeholders. For example, in Germany, leading companies including Allianz, Bayer, Bosch, IBM, and Siemens, along with McKinsey & Company, have, with the sponsorship of Germany's chancellor, joined with others in the social sector, the government, the media, and the science and technology sector to drive broad change in social attitudes that influence whether women take leadership roles in business. The movement, called Chefsache (meaning "CEO priority"), which was launched in July 2015, plans to create tools that enable organizations to share best practice as well as engage in a public dialogue with decision makers through media campaigns, conferences, and events.

•••

Enabling women to be equal partners in society and in the world's workforce would not only be equitable in the broadest sense, but would also give the global economy a substantial boost—according to this research, doubling the likely contribution of women to global GDP growth between 2014 and 2025. Without tackling gender equality in society, those large economic benefits will not be realized. The first challenge is to understand the gender equality landscape in sufficient detail to be able to prioritize action. The next is to use that knowledge to engineer change. This research offers a framework for action and collaboration by governments, NGOs, and the private sector based on the many success stories of initiatives around the world that could help to clarify the road ahead and open the door to a new era of creative partnerships.

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APPENDIX

This appendix has the following sections:

1. Building a supply-side GDP model

2. Methodology for assessing global gender inequality

3. Methodology for calculating Gender Parity Score (GPS)

4. Gender equality indicators in detail

1. BUILDING A SUPPLY-SIDE GDP MODEL

MGI has built a supply-side model that estimates the economic impact of closing the gender gap in labor markets in 95 countries. These countries cover 93 percent of the world's female population and 97 percent of its GDP. In all countries, the model estimates and forecasts the GDP contribution of women and men in the period to 2025. The model calculates GDP using five inputs, each of which is estimated by gender:

GDP = working-age population x labor-force participation rate x employment rate x full-time equivalent rate x labor productivity per full-time equivalent employed

The employment rate is the percentage of the labor force that is employed. The full-time equivalent rate is the ratio of full-time equivalent employees relative to total employees. Labor productivity per full-time equivalent employed is the economic output of each full-time equivalent employee.

Overall approach

- **Drivers of the difference in male and female GDP.** The model captures differences in male and female contributions to GDP due to three factors: participation rates, hours worked, and the distribution of employment among 14 sectors of the economy. We assumed that the labor productivity of men and women is the same in each of the 14 sectors studied—i.e., there is no impact on productivity due to the different roles men and women play in companies, the size of firms that employ men and women, any variation in agricultural productivity due to the size of male vs. female farm holdings, and so on. The 14 sectors are agriculture and fishing; mining and quarrying; manufacturing; construction; utilities; wholesale and retail trade; hotels and restaurants; transport, storage and communications; financial intermediation; real estate, renting, and business activities; public administration and defense; education; health and social work; and other services.

- **Second-order impact on GDP.** We do not include any second-order impact from increased participation of women, including increased consumption by women, or any drag on productivity due to changes in the supply of labor relative to capital.

Summary of approach and data sources

- **Labor force.** To estimate the total labor force for each country, we calculate its working-age population and labor-force participation rate separately for six cohorts comprising the two genders and three age cohorts: 15 to 24 years, 25 to 54 years, and 55 and older. The working-age population for all scenarios is sourced from the UN's World Population Prospects for all 95 countries. The historical labor-force participation rate is sourced from Key Indicators of the Labour Market (KILM) estimates of the International Labour Organisation. The ILO's historical data are available at the same level of detail as population statistics.

- **Full-time equivalent employment.** We first apply an overall employment rate to each country's aggregate labor supply. The employment rate for historical periods is sourced from the ILO's KILM, available for all 95 countries. The ILO provides historical data split by gender. To convert employment by gender into full-time equivalents, we use ILO data on the average hours worked by gender. This is available in two forms:

  — Actual data on total hours worked by men and women

  — The share of men and women working in different weekly hour bands (for example, 25 to 35 hours per week).

- We use the first group of data where they are available, and, where necessary, supplement them with estimates based on the second. For example, to estimate hours worked, we assume that the average employee who works 25 to 35 hours a week is working 30 hours per week. In countries where neither type of data was available, we extrapolate from the most similar countries available. We determine similarity by using regional groupings and level of per capita GDP at purchasing power parity. We were able to gather actual data or estimate hours worked for 53 countries in our 95-country sample, and we extrapolated this to the remaining countries. We assume the hours worked by men and women per week do not vary by sector.

- **Labor productivity.** For each country, we estimate labor productivity per full-time equivalent employee for men and women as the average sector productivity, weighted by the sector share of full-time equivalent employment for each gender. We assume that the productivity of men and women in the same subsector (e.g., education, health, agriculture) is the same and that any variations in average productivity among men and women are due to the sector mix of their employment. We use a three-step calculation:

  — First, we estimate the relative productivity of men and women in 14 subsectors. For example, in most countries, services productivity for women is lower than that of men because women are disproportionately concentrated in low-productivity sectors (as measured by GDP per worker) such as education and health services. Due to data limitations, we calculated relative productivity at the 14-sector level for 25 countries, and then extrapolated to the full sample. We collected data for the G20 countries plus Bangladesh, Morocco, Malaysia, the Netherlands, and Sweden to arrive at a representative global sample. We then extrapolated these data to other countries based on our regional groupings and level of per capita GDP at purchasing power parity. For these 25 countries, we sourced employment by gender data from the ILO and national statistics bureaus at the 14-sector level. We took productivity data for the 14 sectors from the World Input-Output Database, the McKinsey Global Growth Model, and national statistics offices.

  — Second, we use relative productivity at a subsector level to estimate sector productivity by gender for agriculture, industry, and services. We calculate average productivity for men and women using GDP from IHS's World Industry Service,

employment data from the ILO in each of agriculture, industry, and services, and the hours worked estimates described above to convert employment numbers to full-time equivalent employees. We then applied the relative productivity of men compared with women calculated in the first step to this average productivity to estimate a male and a female productivity for each of agriculture, industry, and services.

» Data from the ILO on employment by sector and gender cover 76 countries from our sample. For countries where data were not available, we extrapolated the share of employment by sector from the most similar country based on the level of per capita GDP at purchasing power parity and regional groupings.

» Data from IHS on total GDP cover all countries, and 63 countries have data on industry GDP. For countries without industry GDP data, we estimated these figures using the assumption that the relative productivity of each of these sectors is equal to that observed in the most similar country. We determined the most similar country based on the level of per capita GDP at purchasing power parity and regional groupings.

— Finally, we estimate overall productivity by gender by weighting gender-specific productivity for agriculture, industry, and services by the respective shares of employment of men and women in these sectors.

For a detailed description of the inputs to our model and data sources, see Exhibit A1.

Exhibit A1

Summary of inputs for GDP model

	Level of granularity	Source of data
Population	▪ Population by gender for ages 15–24, 25–54, and 55+	▪ UN World Population Prospects
Labor-force participation rate	▪ Historical data by gender for ages 15–24, 25–54, and 55+ ▪ Forecasts for total rate	▪ Historical data from ILO KILM ▪ Forecasts from Oxford Economics
Employment rate	▪ Historical data by gender ▪ Forecasts for total employment rate	▪ Historical data from ILO KILM ▪ Forecasts from Oxford Economics
Full-time equivalent rate	▪ Average number of hours worked per week by gender	▪ ILOSTAT database
Productivity (14 sectors)[1]	▪ Employment in 14 sectors by gender ▪ Productivity in 14 sectors	▪ Employment from ILOSTAT and national statistical offices ▪ Productivity from World Input-Output Database, McKinsey Global Growth Model
Productivity (3 sectors)	▪ Employment in agriculture, industry, and services by gender ▪ GDP in agriculture, industry, and services	▪ Employment from ILO KILM ▪ GDP from IHS World Industry Service

1 The 14 sectors are agriculture and fishing; mining and quarrying; manufacturing; construction; utilities; wholesale and retail trade; hotels and restaurants; transport, storage, and communications; financial intermediation; real estate, renting, and business activities; public administration and defense; education; health and social work; and other services.

SOURCE: McKinsey Global Institute analysis

Forecast assumptions

MGI modeled three scenarios to project the economic opportunity that is available from bridging the gender gap in 2025. The first scenario is a "business-as-usual" forecast of GDP based on consensus forecasts, supplemented with historical trends to obtain gender-disaggregated forecasts. The second is a "full-potential" scenario that describes the maximum GDP opportunity from achieving complete gender parity for each country on the various dimensions included in our model. The third is a "best-in-region" scenario that describes the GDP opportunity for each country if it were to bridge the gender gap at the best historical rate of countries in its region. We grouped countries by region for the most part. India and China were considered as separate regions because of the size of their populations. We grouped North America and Oceania together because they have a relatively similar performance on the gender equality indicators discussed in this report.

For all projections we use the following data sources: for population, we use the UN's World Population Prospects; for total labor-force participation, GDP growth, the labor-force participation rate, and the employment rate, we use Oxford Economics and IHS, both of which provide aggregate country forecasts (not gender-disaggregated) for these variables.

Business-as-usual scenario

We formulated the business-as-usual scenario in three steps. First, we projected detailed data on labor supply broken down by gender according to the growth rates over the past ten years, scaling them so that they were in line with consensus forecasts and ensuring they followed a few overall constraints. In detail:

- We first forecast the labor-force participation rate by age group and gender based on its compound annual growth rate between 2003 and 2013. We then scaled the forecast so that the participation rate was consistent with predictions from Oxford Economics. Finally, we applied three constraints: the participation rate does not exceed 100 percent for any cohort; for each age cohort, the rate of female participation does not exceed that of males; and the participation rate of those aged 55 and older for each country remains equal to or less than that of those aged 25 to 54 for that country.

- For the employment rate, we used the overall employment rate forecast from Oxford Economics, but scaled to separate male and female employment rates, based on the observed historical ratio of female-to-male employment rates in 2013.

- The ratio of hours worked and the relative productivity of full-time equivalent males and females in industry and services remained constant over the business-as-usual forecast. This assumption is based on analysis of historical data, which shows little or no change for most countries in our sample over the past ten years.

- Forecasts for the distribution of employment by sector and gender were based on historical trends and reasonable assumptions for productivity growth. First, we forecast the share of employment by sector based on historical trends from the most recent ten-year time frame with data. We then modified the projection to bring GDP growth for agriculture, industry, and services in accordance with forecasts from IHS and average sector productivity in line with three overall constraints we apply: forecast productivity growth from 2014 to 2025 is greater than or equal to zero; the productivity ranking of agriculture (which typically has the most volatile productivity-growth rates) does not change relative to other sectors; and the difference between sector productivity growth and overall productivity growth should not be more than 2 percent different from any historical gap for agriculture, industry, and services. We chose the 2 percent differential based on typical historical trends for these two measures.

Full-potential scenario

The full-potential scenario sizes the total opportunity of closing the gender gaps in the labor-force participation rate, employment rate, hours worked, and sector mix. Male inputs into GDP stay constant at business-as-usual levels. We calculated female inputs so that they were equal to those of males in 2025: the gap in participation rates for each age group, the gap in employment rates, and the gap in hours worked are fully bridged. In the rare case that the business-as-usual scenario is higher for females than for males, (e.g., lower unemployment rates for women than men in the United States), we left it unchanged. We assumed that the gap on labor productivity is bridged on two dimensions:

- Gaps in relative productivity between men and women within the industry and service sectors are fully bridged.
- The share of employment in agriculture is equalized for men and women. The proportion of jobs absorbed by the industry and service sectors from women transitioning out of agriculture is equal to the ratio of female employment in industry relative to services in the business-as-usual scenario.

Best-in-region scenario

The best-in-region scenario sizes the GDP opportunity for each country if it were to bridge the gender gap at the best historical rate of countries in its region. This is calculated for each GDP input as the difference between the female and male growth rate over the past ten years. The scenario assumes that, for each country and each input, the male growth rate is constant at the business-as-usual levels, but the female growth rate is equal to the male growth rate plus the best-in-region rate of convergence. The only exception to this rule is the employment rate. Because the difference in the employment rate by gender is small for most countries, we assume that this gap is fully bridged in the best-in-region scenario. The convergence rate is capped for each country so that the female GDP input does not overtake the male GDP input in 2025. Specifically:

- In the case of the labor-force participation rate, data coverage was sufficient to identify the best rate of convergence in most of the ten regions. India was merged with South Asia, China was merged with East and Southeast Asia, and North America and Oceania were merged with Western Europe in order to identify the best-performing country in each region. This was calculated for each of the three age cohorts.
- Due to limited data availability, we assume that the rate of convergence for hours worked was the same in all countries. Norway was identified as the best performer in a sample of 30 countries, most of which are developed economies.
- For the share of employment in agriculture, data coverage was good enough to identify the best rate of convergence in each region. The regional groupings used were similar to those above.
- We calculate the rate of convergence for industry and services productivity for OECD and non-OECD countries separately, due to limited data availability. This is calculated based purely on the change of distribution of employment of men and women in the 14 sectors examined, and not due to the change of underlying productivity of each of these sectors (that is independently factored into productivity forecasts). For example, for industry, the United Kingdom is the best-in-region country chosen for OECD economies.

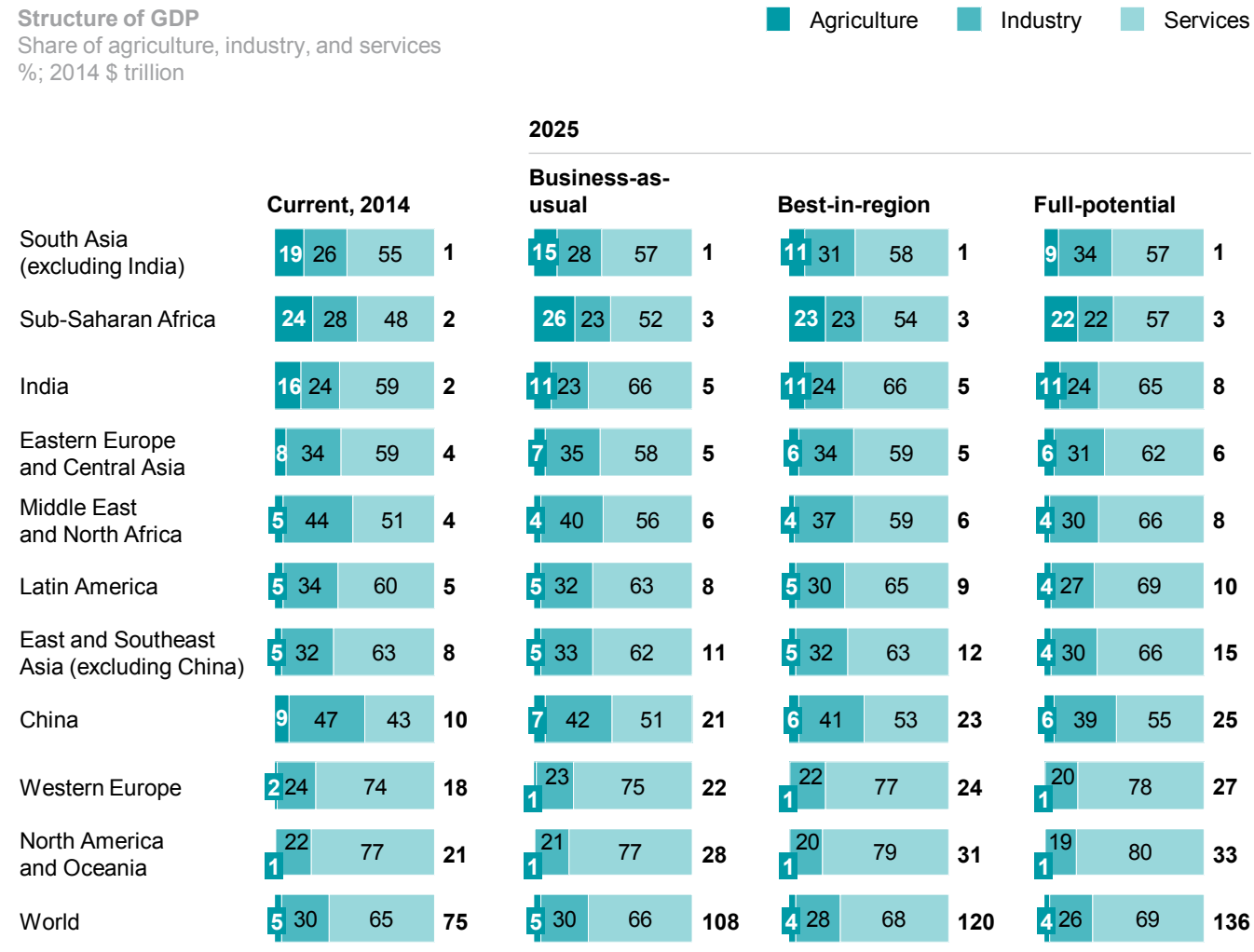
Implications of scenarios on the overall structure of GDP

We analyzed the impact of bridging the gender gap on the overall structure of the economy and job creation needed to provide opportunities to the additional women entering the workforce (Exhibits A2 and A3). For all regions, this represents an expansion of service-sector GDP, due to both increased employment in services and a shift of employment of women to more productive service sector jobs. This corresponds to the creation of 240 million incremental jobs in the best-in-region scenario relative to the business-as-usual scenario. The largest number of jobs will need to be created in India (68 million), but significant job creation is also needed in developed countries. For instance, in Western Europe this corresponds to 10 million jobs and in North America and Oceania to 15 million jobs.

Exhibit A2

Greater economic equality for women is linked to a shift from agriculture to services

Structure of GDP
Share of agriculture, industry, and services
%; 2014 $ trillion



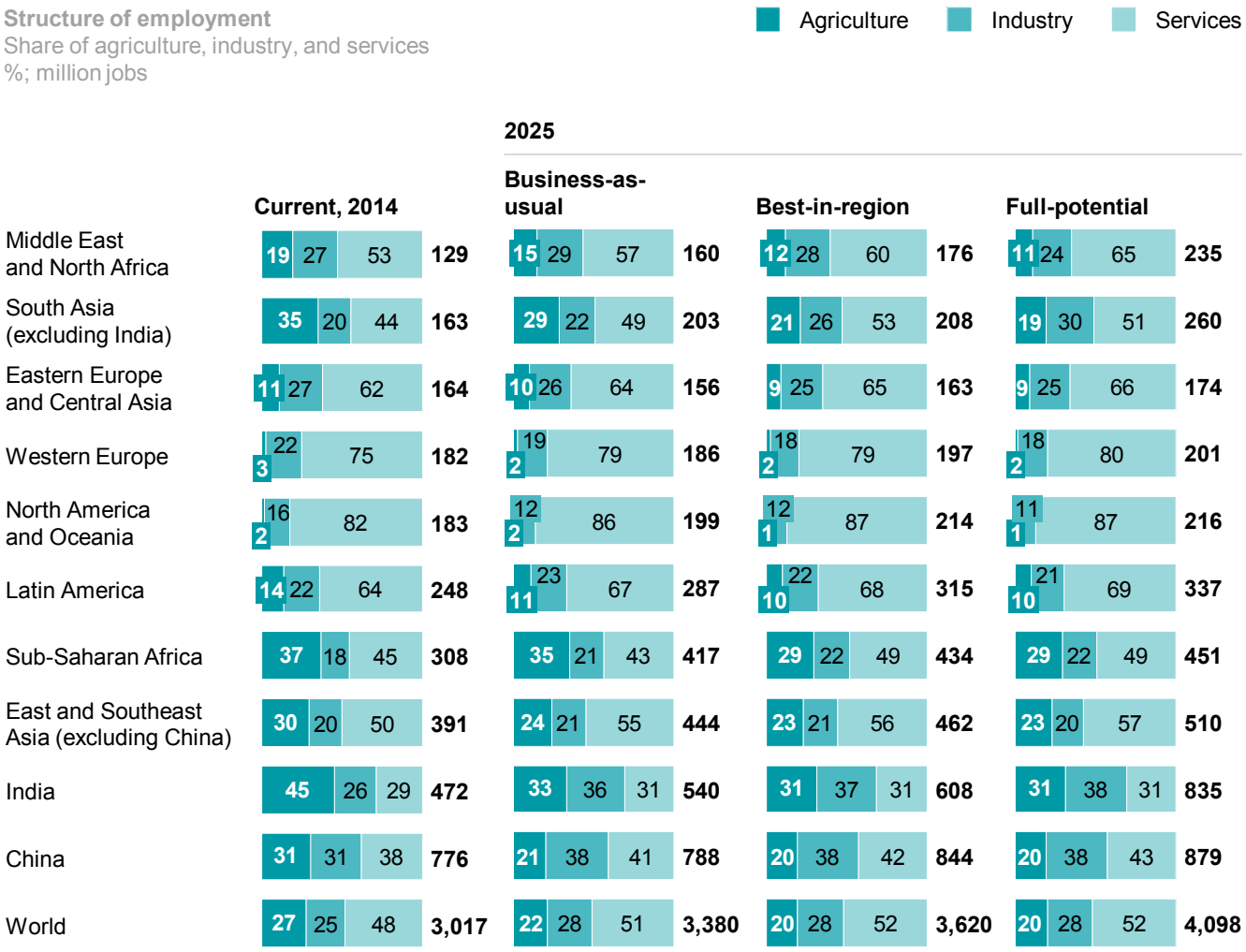
NOTE. Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical offices; McKinsey Global Growth Model; McKinsey Global Institute analysis

Exhibit A3

The best-in-region scenario implies the creation of 240 million more jobs than in the business-as-usual scenario

Structure of employment
Share of agriculture, industry, and services
%; million jobs



NOTE. Numbers may not sum due to rounding.

SOURCE: ILO; World Input-Output Database; Oxford Economics; IHS; national statistical offices; McKinsey Global Growth Model; McKinsey Global Institute analysis

2. METHODOLOGY FOR ASSESSING GLOBAL GENDER INEQUALITY

Our aim was to map gender equality as comprehensively as possible but also to ensure that the indicators we used were not so numerous as to be unwieldy for analytical purposes. In order to select a manageable set of indicators, we reviewed a range of global charters and statements of principle (see Box 2 in Chapter 2). We also explored indicators used by other well-established indexes to measure gender equality, including the World Economic Forum's Global Gender Gap Index, the OECD's Social Institutions and Gender Index, the European Union's Gender Equality Index, and the UN's Gender Inequality Index. Lastly, we conducted principal component and factor analyses to identify natural groupings of variables. This revealed four critical dimensions of gender equality: gender equality in work, essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy. We call the last three aspects "gender equality in society" (see Exhibit A4 for a list of the indicators we selected, data sources, country coverage, and other information).

Exhibit A4

Summary of gender equality indicators and data

Indicator	Description	Data source	Data year or range	Country average
Labor-force participation rate	Female-to-male ratio; age 15+ labor-force participation rate	ILO	2013	95
Professional and technical jobs	Female-to-male ratio; representation (number) in professional and technical jobs (professionals, technicians, and associate professionals)	ILO	Latest available data, 2000–	78
Perceived wage gap for similar work	Female-to-male ratio; wages for similar work, based on survey responses on equal pay for equal work ranked on a seven-point scale	World Economic Forum, *The global gender gap report 2014* (based on data from the WEF's 2014 Executive Opinion Survey)	2014	87
Leadership positions	Female-to-male ratio; representation (number) in leadership positions (legislators, senior officials, and managers)	ILO	Latest available data, 2000–	71
Unpaid care work	Male-to-female ratio; time spent in unpaid care work	OECD Gender, Institutions and Development database 2014	2014	50
Unmet need for family planning	Female only; percent of married or in-union women aged 15–49 who want to stop or delay childbearing but are not using contraception	United Nations, *Model-based estimates and projections of family planning indicators 2014*	2014	94
Maternal mortality	Female only; maternal deaths per 100,000 live births in a specified year[1]	WHO	2013	95
Education level	Female-to-male ratio; composite indicator of adult literacy rate, net secondary enrollment rate, and gross tertiary enrollment rate	UNESCO Institute for Statistics, supplemented with World Economic Forum, *The global gender gap report 2014* data	Latest available data, 2002–	95
Financial inclusion	Female-to-male ratio; composite indicator of the rate of account holders at a financial institution, borrowing from a financial institution in the previous 12 months, and use of mobile phones to send money[2]	World Bank's Global Findex database, 2014	2011 (mobile), 2014 (other)	91
Digital inclusion	Female-to-male ratio; composite indicator of rate of Internet and mobile users	International Telecommunication Union, Intel	Latest available data, 2009–	55
Legal protection	Female only; composite index of the extent of protection to women by 11 different legal provisions (e.g., right to inherit, access jobs)	World Bank's Women, Business and the Law database	2014	91
Political representation	Female-to-male ratio; composite indicator of representation (number) in parliamentary and ministerial positions[3]	Inter-Parliamentary Union, *Women in politics: 2014*	2014	95
Sex ratio at birth	Male-to-female ratio; number of male births to number of female births	United Nations, *World population prospects: The 2012 revision*	2005–10	95
Child marriage	Female only; percent of girls and young women aged 15–19 who are married	United Nations, *World marriage data 2012*	Latest available data, 2000–	92
Violence against women	Female only; percent of women who have experienced physical and/or sexual violence from an intimate partner at some time in their lives	OECD Gender, Institutions and Development database 2014[4], World Health Organization (WHO)	2014	69

1 Includes female deaths from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, per 100,000 live births, for a specified year.
2 Indicator of mobile phone used to send money was used in the composite calculation only when rates for males were more than 5%.
3 Parliamentary seats refer to those in a single or lower chamber.
4 Based on data from Demographic and Health Surveys, WHO, International Violence Against Women Survey, and European Union Agency for Fundamental Rights.

SOURCE: McKinsey Global Institute analysis

The indicators used are measures of outcomes. This enables us to make an objective assessment of a country's performance on gender equality. We collated data for these indicators for our set of 95 countries from global sources such as the ILO and the OECD. We would have liked to include other indicators but were unable to do so because insufficient data were available across a large set of countries for measures such as property ownership by women vs. men, political representation at local government levels, and enforcement of legal provisions.

The indicators we chose typically measure the difference between the position of men and women, and these are expressed as a ratio of female-to-male data. The exception to this is sex ratio at birth and unpaid care work, which are expressed as male-to-female ratios. For indicators that apply only to females—child marriage, violence against women, family planning, and maternal mortality—we used the absolute level expressed as a prevalence rate in percentage terms. For many of the indicators, we remained consistent with standard definitions used in the literature. For instance, we chose the ILO's major groupings of occupational classifications for our definitions of professional and technical jobs and leadership positions; this aligned with the World Economic Forum's approach for these two indicators as well.

Some features of the indicators are worth highlighting:

- Five of the 15 indicators are composites constructed using subgroup indicators. They include education, financial inclusion, digital inclusion, political representation, and legal protection. The rationale for constructing these composite indicators was to include multiple aspects of inequality in each case. In the case of digital inclusion, for instance, we included female-to-male ratios for both mobile and Internet use. The methodology we used to construct composite indicators was the same methodology we used to construct countries' Gender Parity Score (see next section of this appendix).

- Our wage gap indicator is based on data from the World Economic Forum's Executive Opinion Survey. Although surveys are based on opinion, we still took the view that this survey was the best available measure of equal pay for equal work. Some researchers have attempted to calculate differences in equal pay for equal work using real wage data (e.g., as a residual after accounting for differences in occupational or industrial concentrations of men and women). However, such analysis is available for only a handful of countries.[109]

- The indicator we chose for leadership is based on the ILO's major occupational group classifications, as mentioned. The indicator includes legislators, senior officials, and managers. Despite the fact that there is some overlap in the case of legislators with our measure of political representation, we opted for our approach because it used the ILO's standard classification and is in line with the indicator used by the World Economic Forum in its Global Gender Gap report. In any case, it is difficult to obtain more detailed occupational splits of this ILO major group. We used the major group of professional and technical jobs for similar reasons.

- The legal indicator comprises 11 underlying indicators constructed from the answers to the following questions in the World Bank's Women, Business and the Law database:

  — Is there legislation that specifically addresses domestic violence?

  — Is there legislation that specifically addresses sexual harassment?

[109] See, for example, Francine D. Blau and Lawrence M. Kahn, "The gender pay gap," *The Economists' Voice*, volume 4, issue 4, June 2007.

- Can a married woman apply for a national ID card in the same way as a man?
- Does a woman's testimony carry the same evidentiary weight in court as a man's?
- If there is a non-discrimination clause in the constitution, does it explicitly mention gender?
- Do sons and daughters have equal inheritance rights to property?
- Are there laws mandating non-discrimination based on gender in hiring?
- Does the law mandate equal remuneration for men and women for work of equal value?
- Can non-pregnant and non-nursing women do the same jobs as men?
- Does the law mandate paid or unpaid parental leave?
- Does the law mandate paid or unpaid paternity leave?

- We first grouped the 11 indicators into four logical categories (e.g., first two questions that tackle violence against women into a single category) by taking a simple average. We then used a sum of squares approach described in the next section.

- The indicator we used for child marriage is the share of girls between 15 and 19 who are married. An alternative, and perhaps more commonly used, indicator of child marriage is the percentage of women aged 20 to 24 years who were first married before the age of 15 or the age of 18. However, we found that the latter data did not exist across our full sample of 95 countries; in particular, there were large gaps in data in developed countries. However, the measure we used has also been proposed as one of the core measures of child marriage by UNICEF.

We chose to use an absolute measure of equality levels across indicators, rather than relative thresholds for each indicator, to ensure an objective assessment of equality. These thresholds were chosen by examining the education indicator, which we believe is a core gender equality indicator and one where significant progress has been made. As we discussed in Chapter 3, we found that there were virtually no countries with gender gaps of greater than 50 percent for this indicator, about 15 percent of countries with gaps greater than 25 percent and about 50 percent countries with gaps less than 5 percent.

For a few indicators, the thresholds used differed from these, given the different distribution of data for this indicator. For physical security and autonomy indicators, where we felt the severity of the indicators warranted different thresholds, we defined extremely high inequality as greater than or equal to 33 percent distance from no prevalence (of child marriage or violence against women), or one in three women affected. For maternal mortality, the thresholds were informed by the relative distribution of maternal mortality ratios across countries. For example, we used a cutoff of ten deaths per 100,000 live births for "low" equality, based on maternal mortality ratios typically seen in highly developed countries such as the Scandinavian countries. Similarly, we used a threshold of 200 deaths per 100,000 live births for "extremely high" inequality, as it represented a natural break in the relative performance of countries. For sex ratio at birth, a review of literature on this topic found that the natural male-to-female ratio at birth is typically in the neighborhood of 1.06.[110] However, data for 2005 to 2010 from the UN typically had values significantly above this number. We therefore set our threshold for "extremely high" and "low" equality at 1.09,

[110] Stephan Klasen and Claudia Wink, "Missing women: Revisiting the debate," *Feminist Economics*, volume 9, issue 2–3, 2003.

which was slightly above the world average of 1.086 and above which we saw significantly higher values for a few countries (including India and China).

Regional numbers for gender equality indicators typically represent weighted averages, based on 2014 female population data available from the UN. Per capita GDP is based on data from the IMF and represents values in 2014 international dollars adjusted for purchasing power parity.

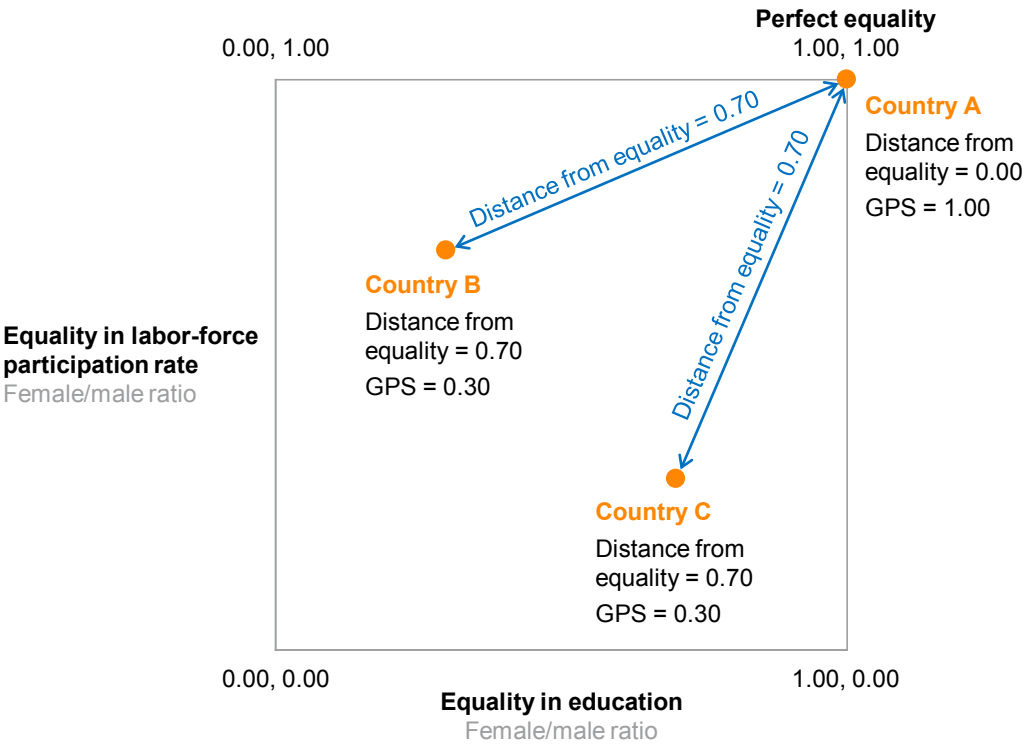
For indicators that measured parity between men and women, number of women affected calculations were done based on identifying the gap between men and women. For instance, the number of women affected by adult literacy refers to the number of literate men minus the number of literate women. For indicators that were relevant only for women, such as maternal mortality, an absolute number was calculated for women. For instance, number of women impacted by maternal mortality refers to the number of maternal deaths each year.

3. METHODOLOGY FOR CALCULATING GENDER PARITY SCORE (GPS)

For each of the four aspects of gender inequality, each of the 15 indicators that we use, and each of the 95 countries in our sample, we calculated how close women are to gender parity. We then combined the average gender parity levels into one number—the Gender Parity Score. To aggregate country scores into regional scores, we weighted our results based on the size of the female population in each country in the region. We weighted the 15 indicators equally, and we aggregated all gaps rather than compensating underperformance on some by outperformance on others. To illustrate our methodology, consider a simple world, with just three countries—A, B, and C—and two types of inequality, namely education levels and labor-force participation (Exhibit A5):

Exhibit A5

Illustration of Gender Parity Score (GPS)



SOURCE: McKinsey Global Institute analysis

Women in Country A, which has a GPS of 1.00, have exactly the same education levels as men, and they participate in economic activity in exactly the same proportion as men. Country B's aggregate GPS of 0.30 indicates that, on average, its women have only 30 percent of the opportunity that men do, driven by extremely low education levels compared with men, but relatively higher labor-force participation. Country C also has an aggregate GPS of 0.30 but has a different pattern—relatively high gender equality in education but very low female labor-force participation rate compared with that of men.

To arrive at the level of gender inequality, we combined the country's position on our 15 gender indicators using the sum of squares method and assuming equal weight to each indicator as:

$$GPS = \sqrt{\frac{(1-a_1)^2 + (1-a_2)^2 + \cdots + (1-a_n)^2}{n}}$$

where, a_1 = F/M ratio in gender equality indicator 1, a_2 = F/M ratio in gender equality indicator 2, etc.

For family planning, violence against women, and child marriage, where indicators are expressed as prevalence rates in percentage terms, the inverse—that is, one minus the prevalence rate—is used instead of female/male ratios. For the maternal mortality ratio, we normalized country ratios using minimum and maximum values. All indicators were capped at a maximum value of 1. The GPS for individual category scores (e.g., for physical security and autonomy) is constructed using the same approach, but including only the indicators relevant to the category.

In some instances, where there were extensive gaps in available data for a country, we used regional averages to extrapolate missing values and calculate the GPS for the country. We did this only selectively to ensure that scores were not skewed significantly due to missing data. We undertook such extrapolations only for the purpose of GPS calculations and not for any other analysis such as identification of impact zones.

4. GENDER EQUALITY INDICATORS IN DETAIL

In the pages that follow are two summary charts for each of the 15 indicators of gender equality. The first shows prevalence and number of women affected by country (Exhibits A6 to A20); the second summarizes the potential interventions that could apply to each (Exhibits A21 to A38). MGI has identified 75 interventions and more than 150 case examples, based on a meta-analysis of available research. The categorization of interventions by stakeholder group is based on the typical primary stakeholder seen in the case examples discussed and our review of the available research. We did not prioritize interventions because their impact can vary a great deal depending on where a country is on its development journey, and on its culture and social norms; instead, these interventions represent promising avenues for stakeholders to explore. Impact assessments are also not provided here due to a variety of factors. In many instances, rigorous evaluation data is not available, and it may also be difficult to disentangle the impact of one type of intervention from another. In other instances, time frames before results become clear and measurable are long, making assessments challenging.

Prevalence and number of women affected

Labor-force participation rate

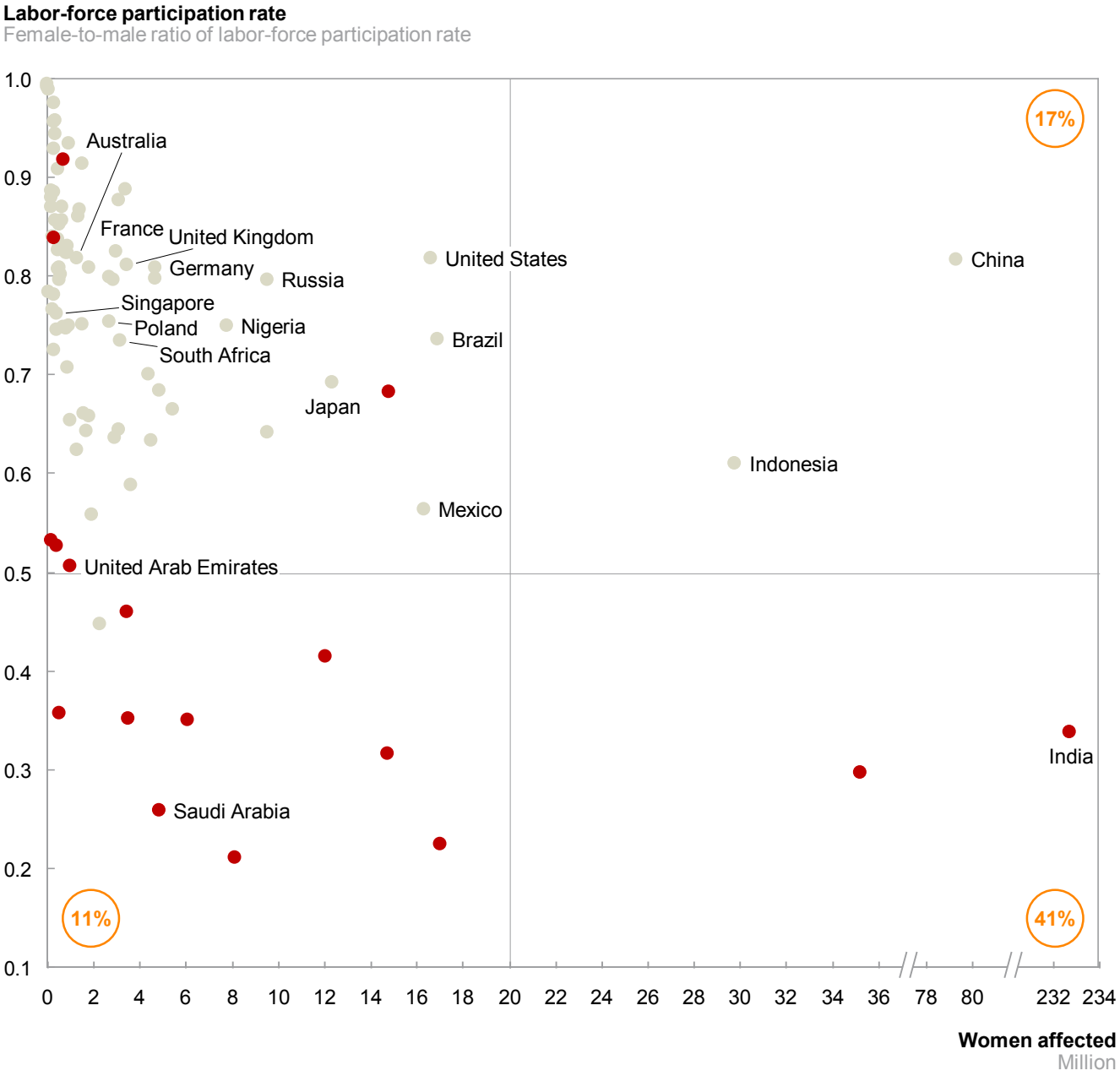
655M women affected globally,

of which **54%** represented in impact zones

Exhibit A6

Labor-force participation rate[1]

- Countries in the impact zone (low labor-force participation in quality jobs)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)



1 Data available for all 95 countries.

SOURCE: ILO; McKinsey Global Institute analysis

Professional and technical jobs

29M women affected globally,

of which **56%** represented in impact zones

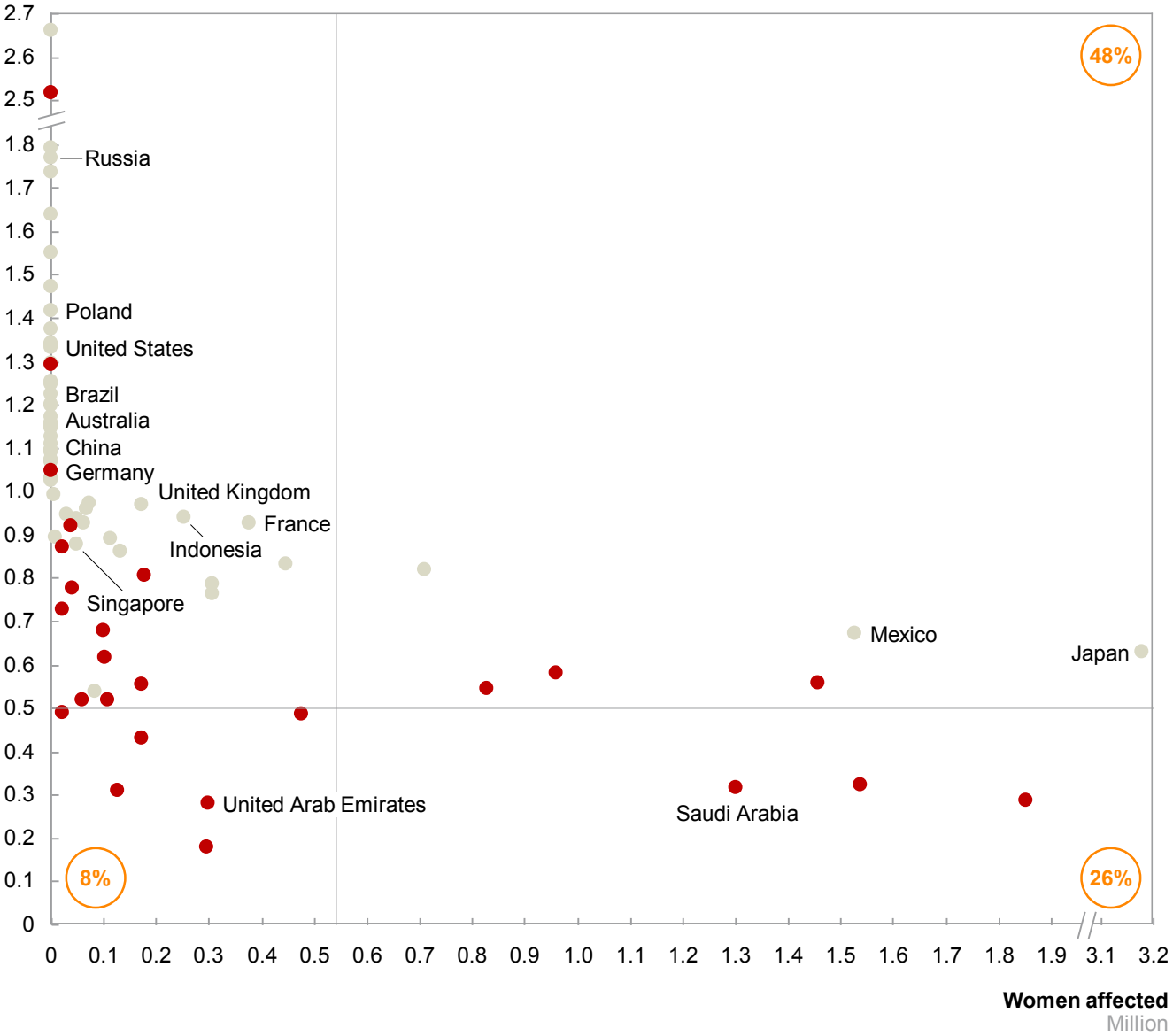
Exhibit A7

Professional and technical jobs[1]

- Countries in the impact zone (low labor-force participation in quality jobs)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Professional and technical jobs

Female-to-male ratio of representation in professional and technical jobs



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (78 total countries, with 18 million women affected).

SOURCE: ILO; McKinsey Global Institute analysis

Perceived wage gap for similar work

551M women affected globally,

of which **100%** represented in impact zones

Exhibit A8

Perceived wage gap for similar work[1]

- Countries in the impact zone (blocked economic potential)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Perceived wage gap for similar work
Female-to-male ratio of wages for similar work

1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (67 total countries with wage gap and salaried worker data, with 352 million women affected).

SOURCE: *The global gender gap report 2014*, World Economic Forum, October 2014 (based on data from the World Economic Forum's 2014 Executive Opinion Survey); McKinsey Global Institute analysis

Leadership positions

64M women affected globally,

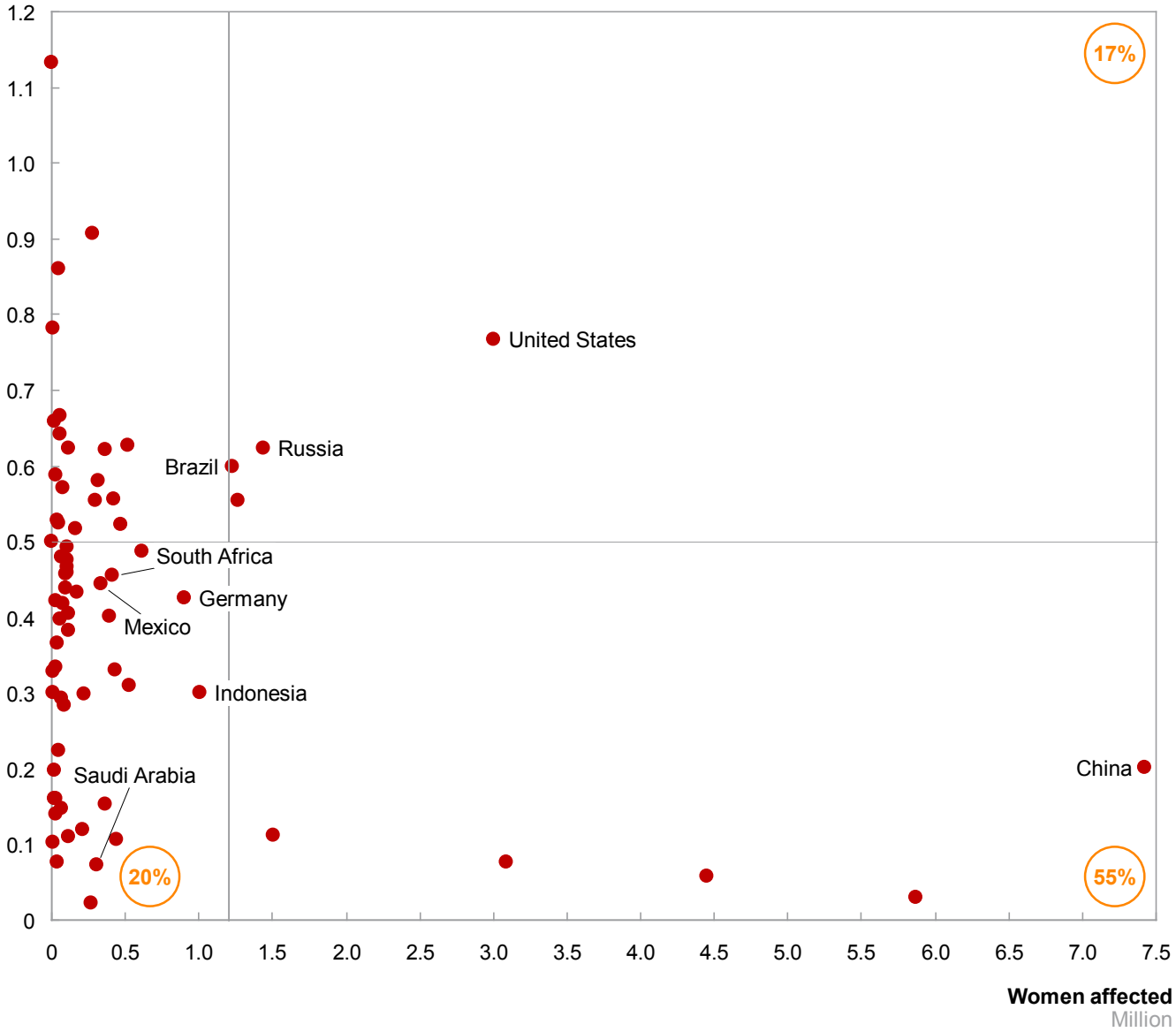
of which **100%** represented in impact zones

Exhibit A9

Leadership positions[1]

- Countries in the impact zone (blocked economic potential)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Leadership positions
Female-to-male ratio of representation in leadership positions



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (71 total countries, with 41 million women affected).

SOURCE: ILO; McKinsey Global Institute analysis

Unpaid care work

1.3B women affected globally,

of which **100%** represented in impact zones

Exhibit A10

Unpaid care work[1]

● Countries in the impact zone (time spent in unpaid care work)

XX% % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Unpaid care work
Male-to-female ratio of time spent in unpaid care work

1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (50 total countries, with 1.0 billion women affected).

SOURCE: OECD Gender, Institutions and Development database 2014; McKinsey Global Institute analysis

Unmet need for family planning

197M women affected globally,

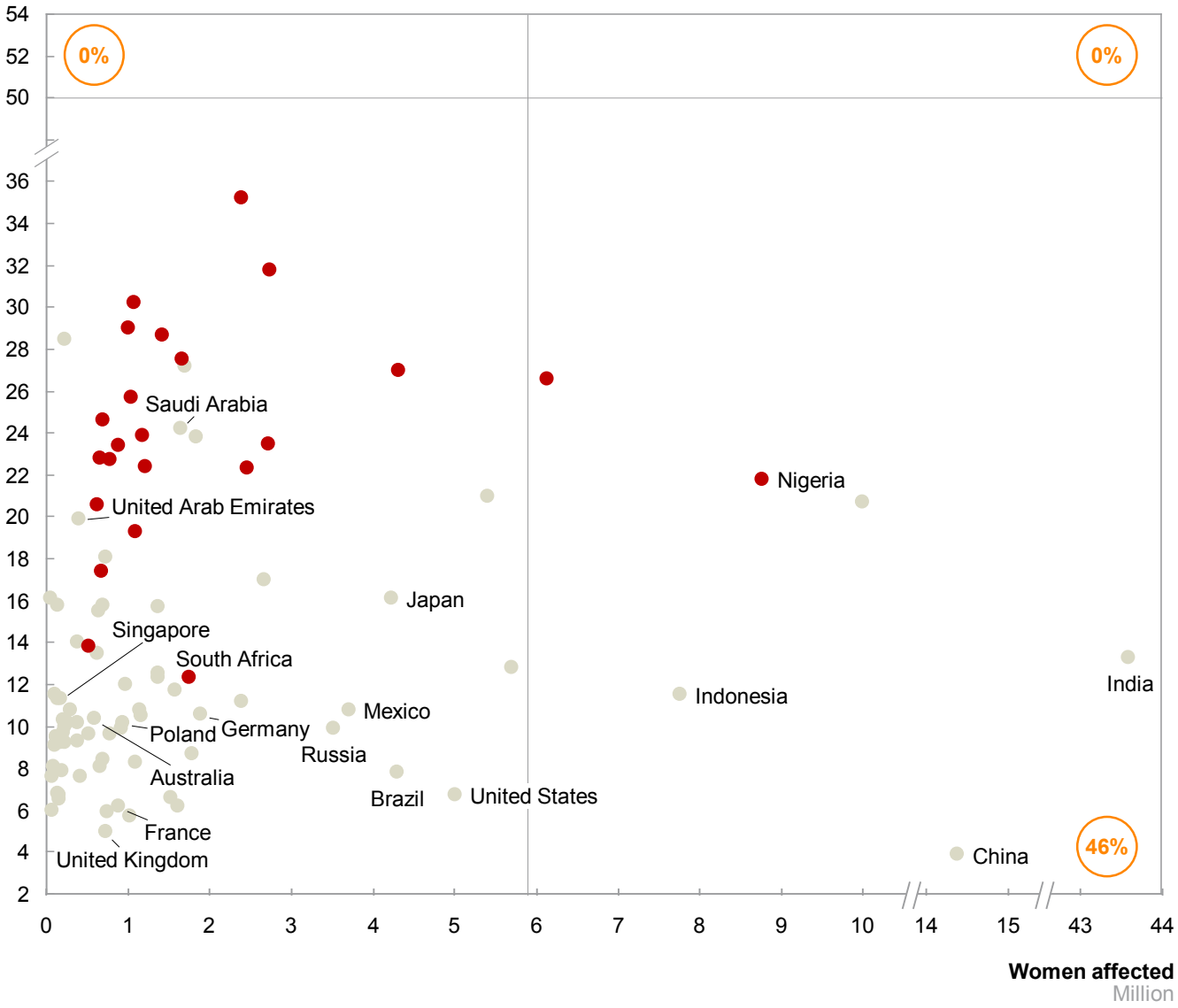
of which **23%** represented in impact zones

Exhibit A11

Unmet need for family planning[1]

- Countries in the impact zone (low maternal and reproductive health)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Unmet need for family planning
% of married or in-union women aged 15–49 who want to stop or delay childbearing but are not using contraception



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (94 total countries, with 197 million women affected).

SOURCE: *Model-based estimates and projections of family planning indicators 2014*, UN Population Division, 2015; McKinsey Global Institute analysis

Maternal mortality

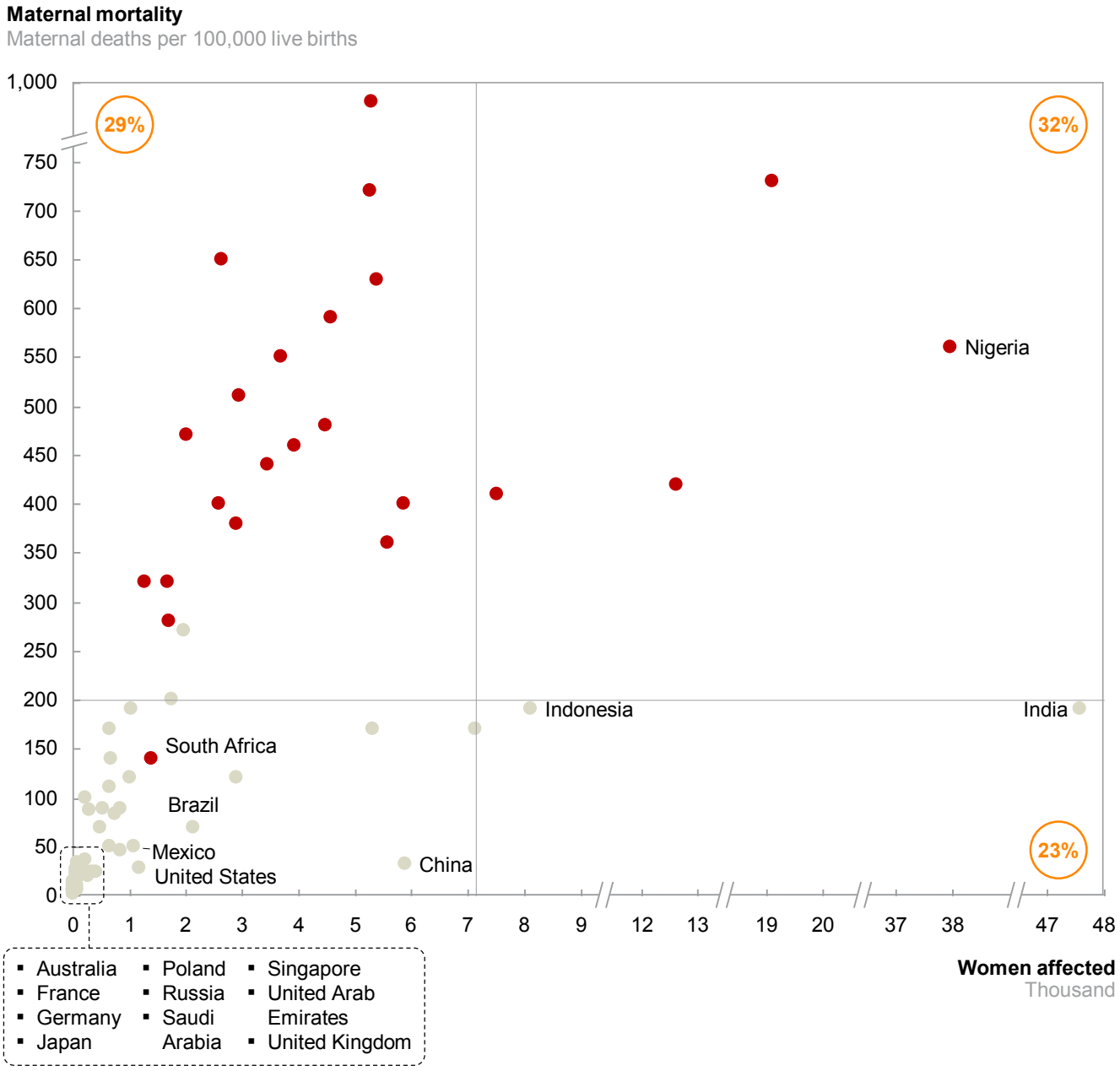
240K women affected globally,

of which **60%** represented in impact zones

Exhibit A12

Maternal mortality[1]

- Countries in the impact zone (low maternal and reproductive health)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)



1 Data available for all 95 countries. Represents women affected per year.

SOURCE: WHO; McKinsey Global Institute analysis

Education level

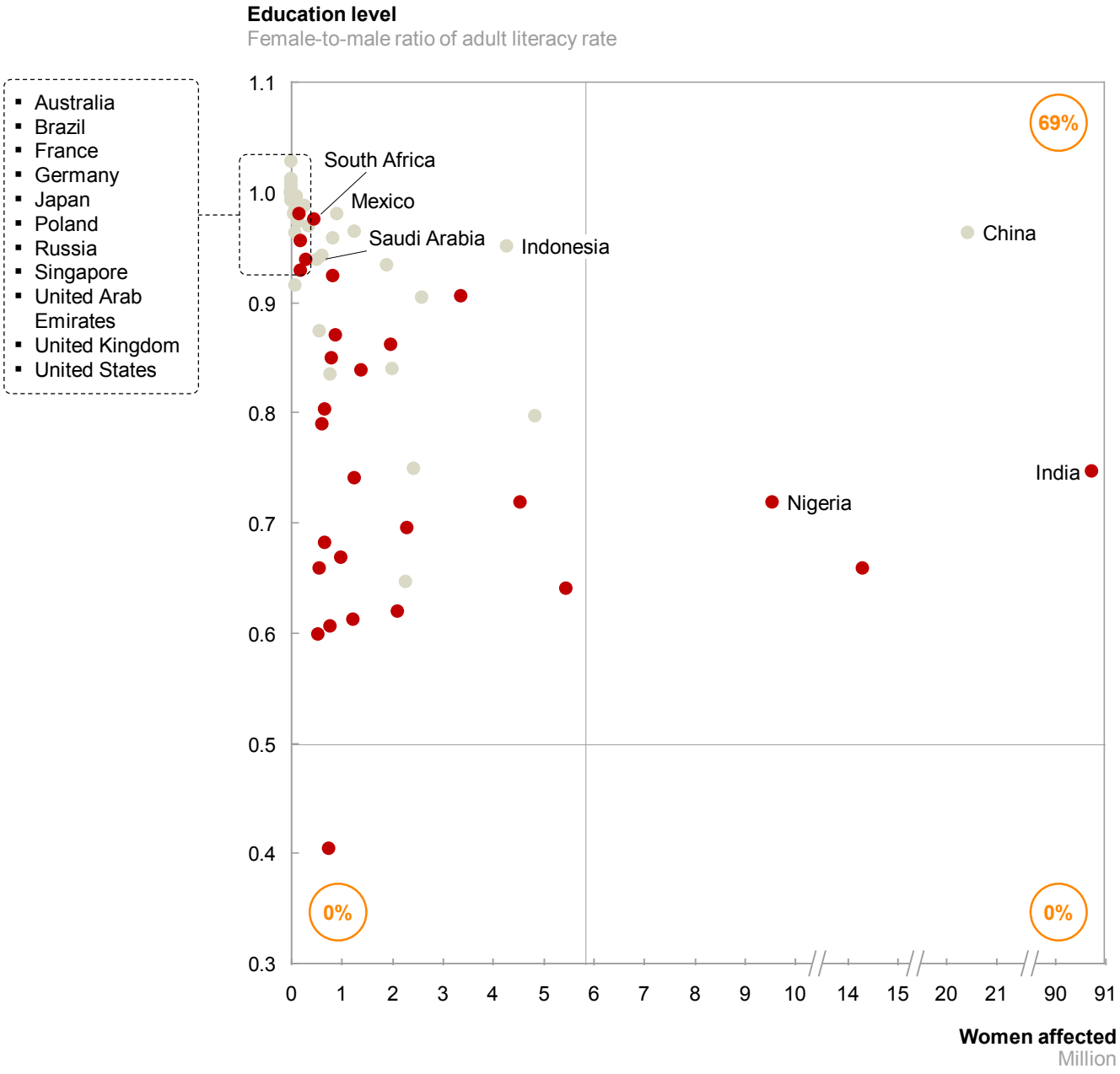
195M women affected globally,

of which **76%** represented in impact zones

Exhibit A13

Education level (adult literacy rate)[1]

- Countries in the impact zone (unequal education levels)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)



1 Data available for all 95 countries.

SOURCE: UNESCO Institute for Statistics; *The global gender gap report 2014*, World Economic Forum, October 2014; McKinsey Global Institute analysis

Financial inclusion

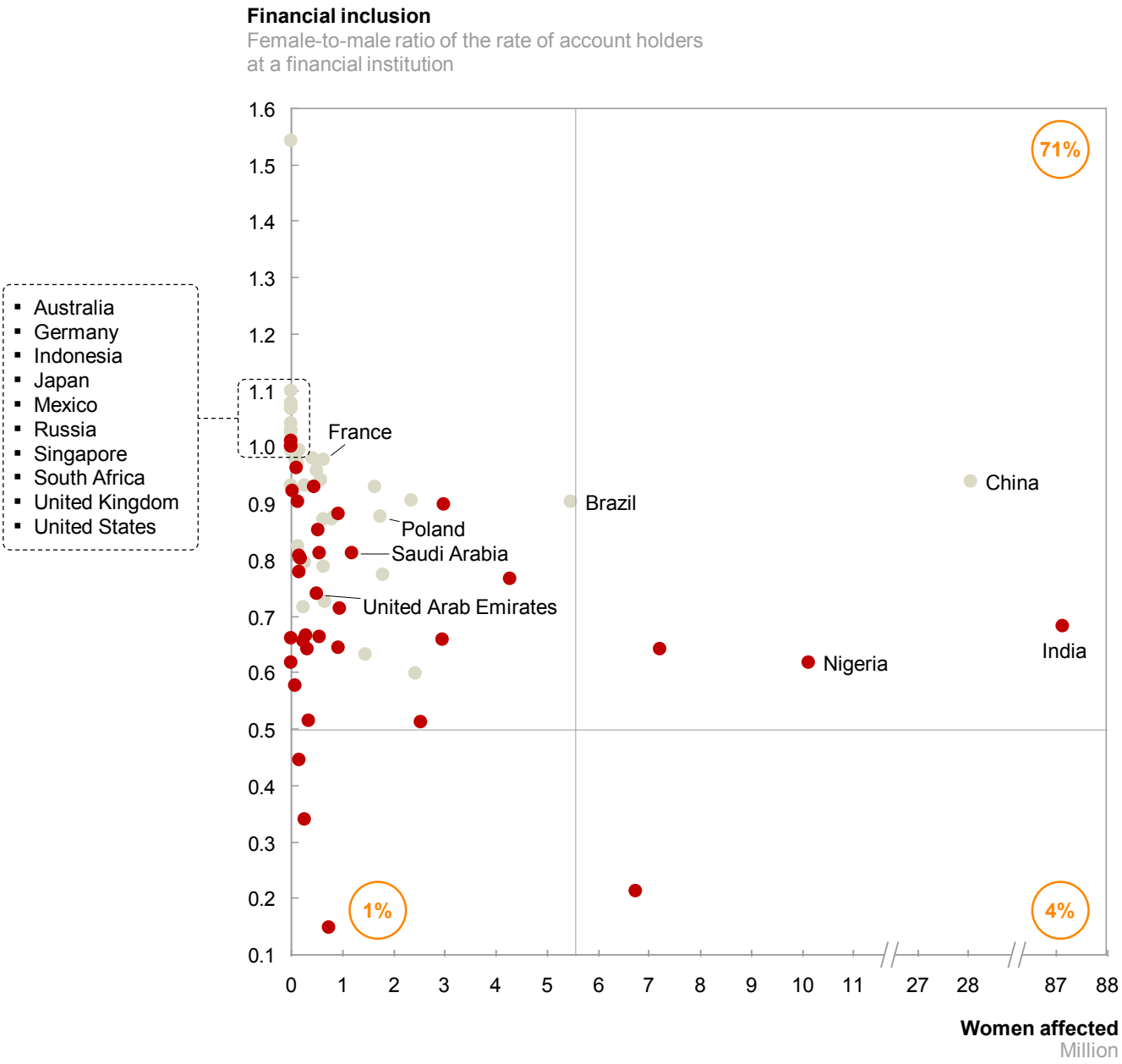
190M women affected globally,

of which **72%** represented in impact zones

Exhibit A14

Financial inclusion (account at a financial institution)[1]

- Countries in the impact zone (financial and digital exclusion)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (91 total countries, with 186 million women affected).

SOURCE: World Bank's Global Findex database, 2014; McKinsey Global Institute analysis

Digital inclusion

105M women affected globally,

of which **52%** represented in impact zones

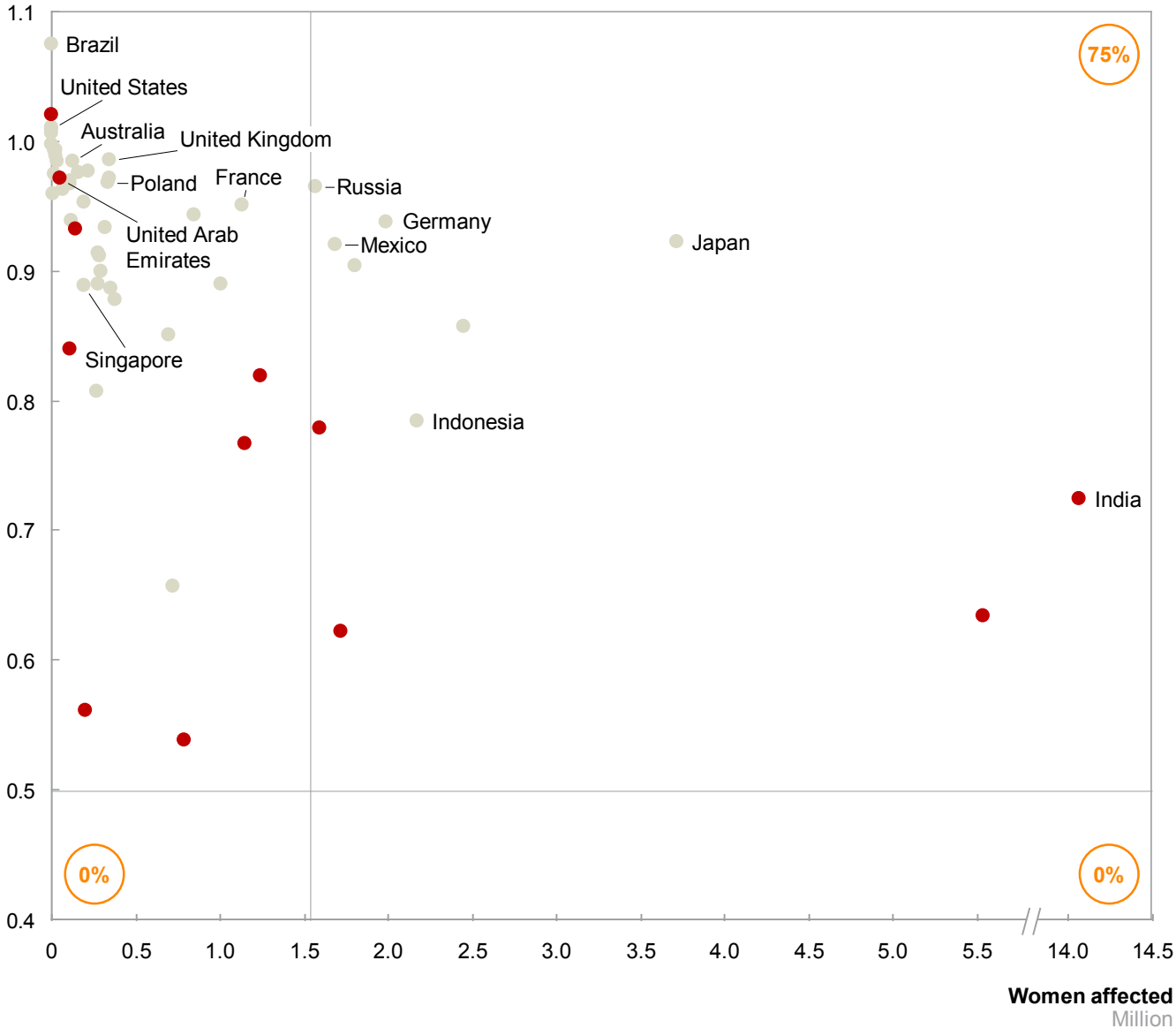
Exhibit A15

Digital inclusion (Internet users)[1]

- Countries in the impact zone (financial and digital exclusion)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Digital inclusion

Female-to-male ratio of the rate of Internet users



Women affected

Million

1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (55 total countries, with 51 million women affected).

SOURCE: International Telecommunication Union; Intel; McKinsey Global Institute analysis

Legal protection

2.5B women affected globally,

of which **100%** represented in impact zones

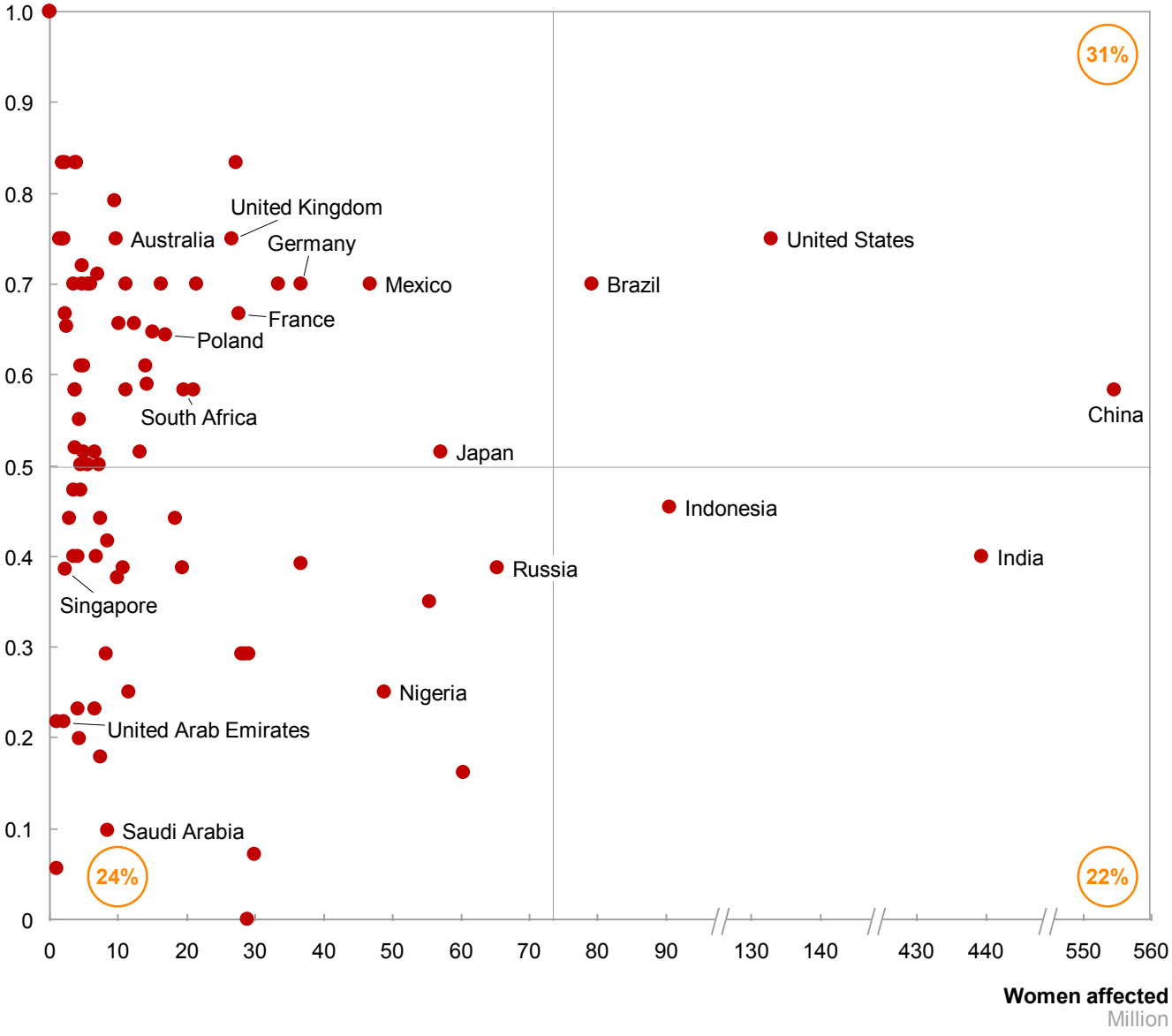
Exhibit A16

Legal protection[1]

- Countries in the impact zone (fewer legal rights)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Legal protection

Composite index of the extent of protection to women by different legal provisions



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (91 total countries, with 2.4 billion women affected).

SOURCE: World Bank's Women, Business and the Law database; McKinsey Global Institute analysis

Political representation

15K women affected globally,

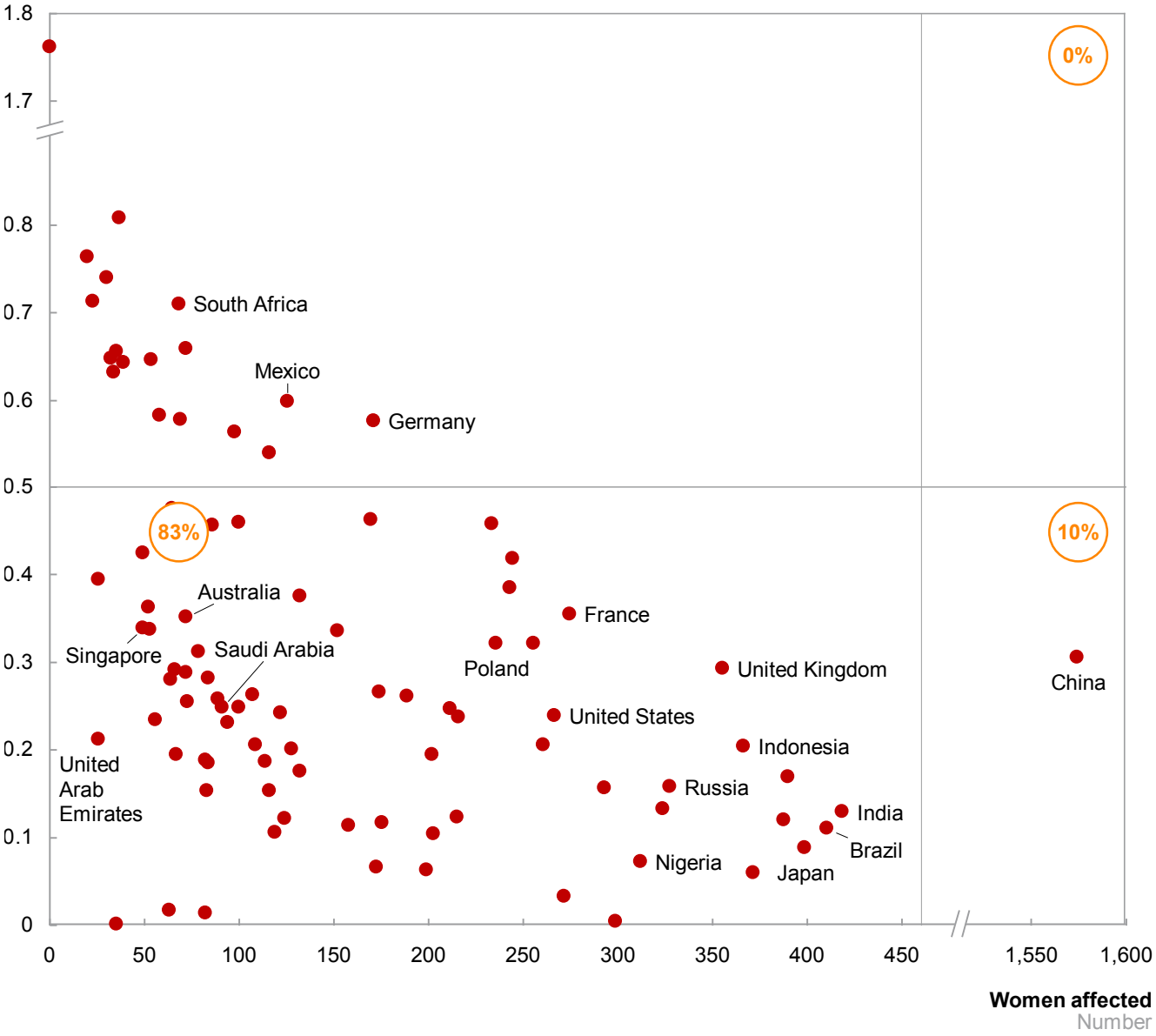
of which **100%** represented in impact zones

Exhibit A17

Political representation (parliamentary positions)[1]

- Countries in the impact zone (political underrepresentation)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Political representation
Female-to-male ratio of representation in parliamentary positions



1 Data available for 94 countries. Number of women affected not available for Egypt.

SOURCE: *Women in politics: 2014*, Inter-Parliamentary Union; McKinsey Global Institute analysis

Sex ratio at birth

1.5M women affected globally,

of which **98%** represented in impact zones

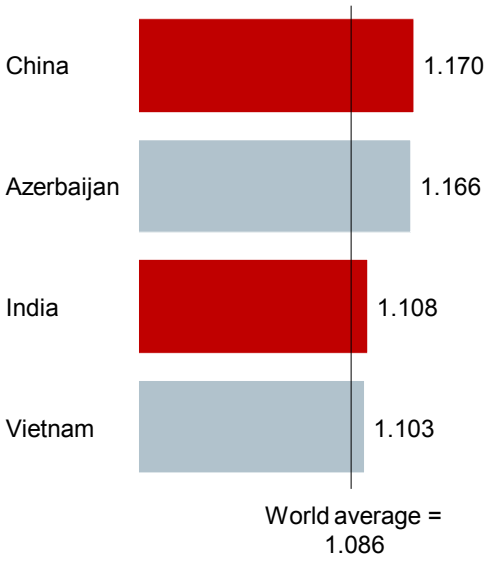
Exhibit A18

Sex ratio at birth

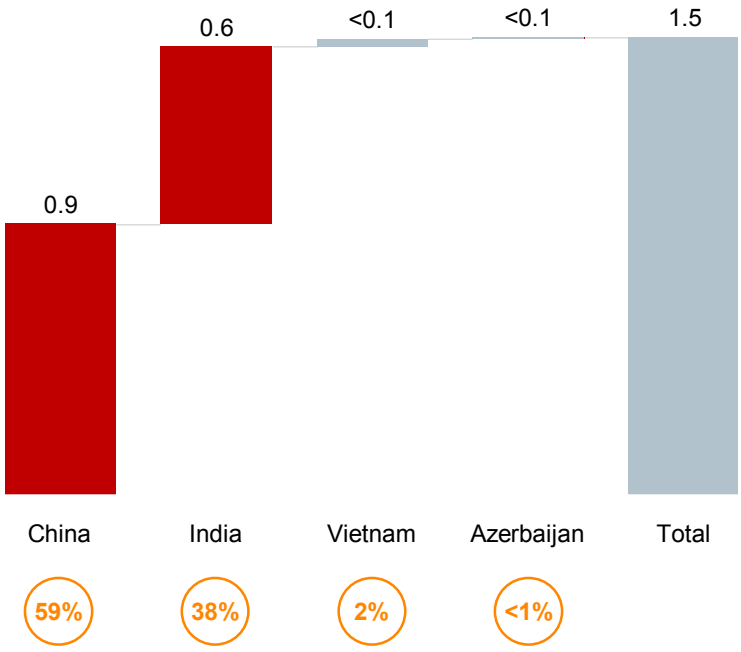
Countries in the impact zone (girl-child vulnerability)

XX% % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Countries with highest sex ratio at birth
Male-to-female ratio of births



Women affected globally[1]
Million, based on 2005–10 data



1 Represents number of girls unborn per year.
NOTE. Numbers may not sum due to rounding.

SOURCE: United Nations, Department of Economic and Social Affairs, Population Division (2013); *World Population Prospects: The 2012 Revision*, 2013; McKinsey Global Institute analysis

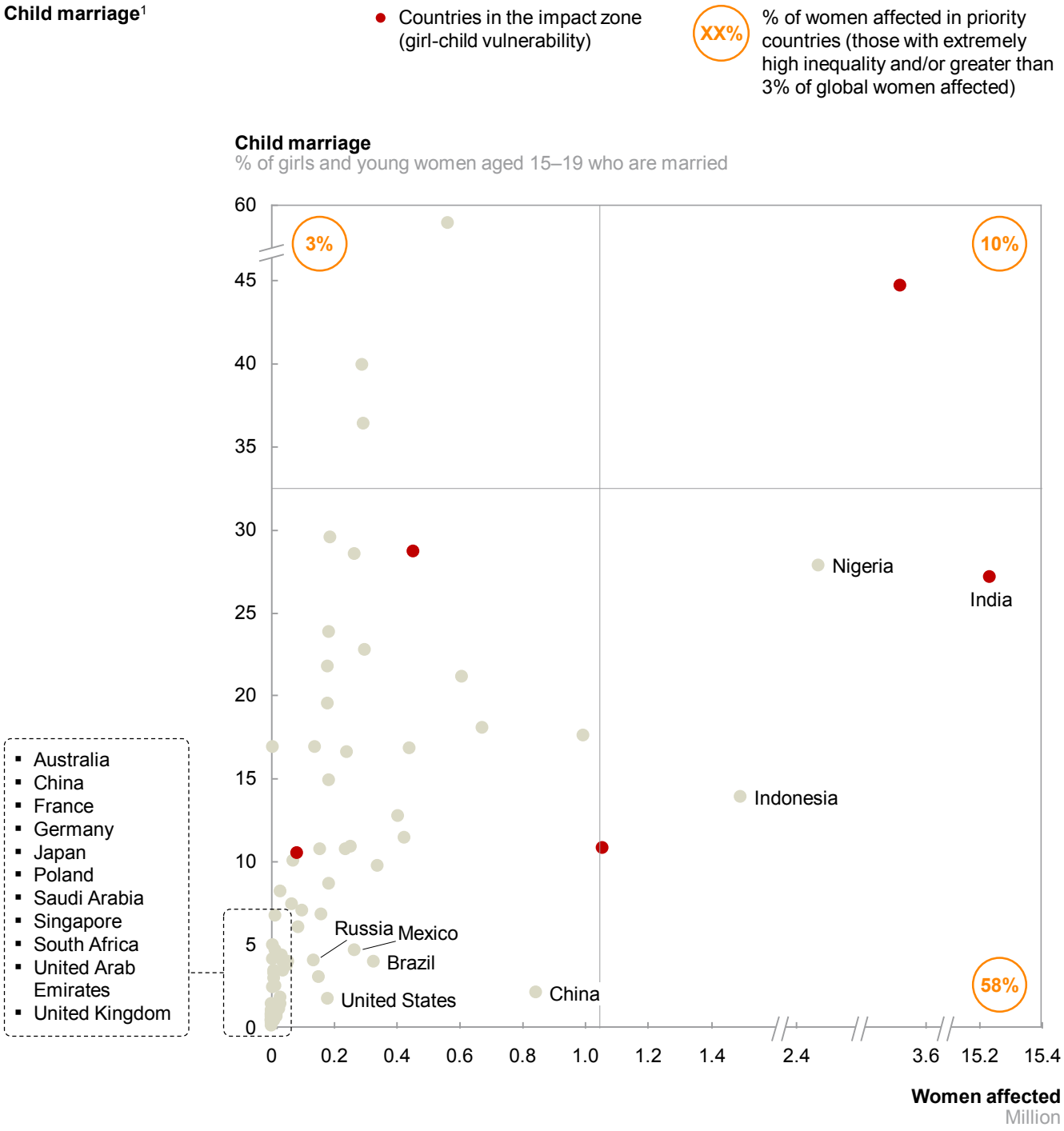
Child marriage

36M women affected globally,

of which **58%** represented in impact zones

Exhibit A19

Child marriage[1]



1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (92 total countries, with 35 million women affected).

SOURCE: World Marriage Data, United Nations; McKinsey Global Institute analysis

Violence against women

723M women affected globally,

of which **100%** represented in impact zones

Exhibit A20

Violence against women[1]

- Countries in the impact zone (violence against women)
- XX% — % of women affected in priority countries (those with extremely high inequality and/or greater than 3% of global women affected)

Violence against women

Percent of women who have experienced physical and/or sexual violence from an intimate partner at some time in their lifetime

1 Number of women affected globally is based on an extrapolation with regional average data for countries with no data available. All other numbers are presented only for countries where data are available (92 total countries, with 35 million women affected).

SOURCE: OECD Gender, Institutions and Development database 2014; WHO; McKinsey Global Institute analysis

Exhibit A21

Potential interventions to address the female labor-force participation rate

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Subsidized or state-funded child-care provision	▪ Child-care centers, Sweden: government-run child-care centers for children under age 6, available at subsidized costs
	Tax policy to encourage both spouses working (e.g., secondary earner contribution, credits for child care)	▪ Tax policy for second earners, Canada: reduced secondary earners' tax contribution, resulting in an increase in labor-force participation for women
Technology and infrastructure	Access to safe and affordable transportation to work	▪ NASSCOM, IT firms, India: safe, escorted transportation in vehicles with GPS and systems to confirm women are safe traveling to and from work
	Access to water, sanitation, cooking materials to reduce time spent in care work	▪ Biogas installation, Nepal: enables women to spend less time collecting firewood
	In-office or affordable external child care	▪ IBM, global: $50 million Global Dependent Care fund to develop on- or near-site child-care centers and create priority slots for employees in existing external centers ▪ Mobile Creches, India: child care, including nutrition and learning programs, for children up to age 12 at construction sites and in slum areas
	Mobile and digital content targeted at self-employed women and entrepreneurs	▪ M-Pesa, Vodafone, multiple countries: mobile phone-based microfinance and money transfer
	Telecommuting to enable flexible work locations	▪ Salaam Wanita, eHomemakers, Malaysia: computer skills and entrepreneurship training for low-income and unemployed homemakers to enable them to develop home-based businesses
Creation of economic opportunity	Business and financial training, mentoring support to female entrepreneurs	▪ Goldman Sachs 10,000 Women initiative, global: training, mentoring, and networks for female entrepreneurs ▪ Mibanco Inter-American Development Bank program, Peru: business training and microgrants to female entrepreneurs
	Financial products for women, including entrepreneurs (e.g., non-traditional collateral, microfinance)	▪ Collateral options, Garanti Bank, Turkey: gold collateral option for women entrepreneurs
	Flexible, part-time employment and leave policies with equal benefits and no impact on wage gap	▪ Vodafone, global: minimum of 16 weeks paid maternity leave, followed by six months in flexible arrangement on returning with reduced hours
	Job placement and internship programs for women	▪ Saudi Aramco, Tata, and GE, Saudi Arabia: launched all-female business-process services center in Riyadh, with training for new recruits
	Merit-based targets for number of women in all roles, including in recruiting	▪ Renault-Nissan, France: goals for gender diversity, including publishing annual updates of female advancement
	Programs to smooth transitions before, during, and after maternity and paternity leave	▪ Toronto Hydro, Canada: employees on parental leave receive full salary for a year, regular updates on workplace changes, and training on return
	Supply-chain and sales partnerships (e.g., women-owned businesses, sellers of women-made products)	▪ Shakti, Unilever, India: distribution channel for more than 70,000 female microentrepreneurs to sell their products in rural India ▪ Walmart Global Women's Economic Empowerment Initiative, global: target to source $20 billion from US women-owned business and provide training to women`

SOURCE: McKinsey Global Institute analysis

Exhibit A22

Potential interventions to address the female labor-force participation rate (continued)

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Creation of economic opportunity	Unbiased recruiting, reviews (e.g., objective criteria)	▪ Inclusiveness Roundtable Champion, Ernst and Young, United States and Canada: representative at annual performance review discussions to ensure objective review criteria are followed
	Vocational training and skill building	▪ PACE program, The Gap, multiple countries: provision of life skills, education, technical training for female garment workers in the company ▪ Skills training and certification program, H&M, Bangladesh: training for workers in the garment industry, who are typically women ▪ Adolescent Girls Initiative, World Bank, multiple countries: promoting employment by providing skills, and technical and vocational training
	Women-only banks that cater to female entrepreneurs	▪ Bank of Deyang, China: Financial Service Center for Women to provide services to women entrepreneurs
Capability building	Agricultural extension services for women	▪ Agricultural Technology Management Agency, India: helps women to set up self-help groups in conjunction with community organizations to provide agricultural extension
	Digital literacy programs targeting women and girls	▪ Intel's "She will connect," developing countries: digital literacy through training programs, an online gaming platform to deliver content, and an online peer network
	Financial literacy programs targeting women and girls	▪ Project Financial Literacy, Reserve Bank of India: financial training aimed at women, students
Advocacy and shaping attitudes	Awareness efforts within the company on gender issues, including targeting men	▪ Sodexo, Women's International Forum for Talent, France: group of company's senior female executives champions awareness initiatives within the company
	Mass and social media-based awareness on gender roles (e.g., care work)	▪ ActionAid International, Uganda: radio messaging and talk shows to encourage communities to recognize unpaid care work and change social attitudes
	Unconscious bias training in companies	▪ Asda, United Kingdom: unconscious bias training for managers and executive board on gender bias and impact on decision making
Laws, policies, and regulations	Company reporting on internal diversity efforts	▪ Australian Stock Exchange Corporate Governance Council gender diversity guidelines, Australia: listed companies provided with recommendations and reporting framework on gender diversity for annual reports
	Legislation to protect women at work (e.g., equal pay, anti-harassment laws)	▪ Anti-sexual harassment law, Kenya: criminalized sexual harassment, including by persons in a position of authority, and created minimum sentences ▪ Part-time worker protection, Netherlands: same employment protection, and social security coverage for part-time and full-time workers
	Legislation to provide maternity/ paternity leave (with benefits)	▪ Parental leave, Sweden: 480 days of parental leave with benefits, of which 60 days are reserved for each parent and not transferable
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Removal of legal barriers to work (e.g., right of women to work night shifts)	▪ Married women working, Turkey: established legal rights of married women to seek work without husband's permission

SOURCE: McKinsey Global Institute analysis

Exhibit A23

Potential interventions to address the representation of women in professional and technical jobs

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers (e.g., scholarships) for girls to learn technical and professional skills	▪ Schlumberger Foundation Faculty for the Future, developing countries: fellowship for women from developing countries pursuing PhDs in STEM fields
Creation of economic opportunity	Merit-based targets for number of women working in professional and technical jobs, including in recruiting	▪ Renault-Nissan, France: goals for gender diversity, including in engineering and design teams ▪ ExxonMobil, global: focus on identifying female candidates for management and engineering roles
	Sponsorship, mentoring, and peer-support networks	▪ Made with Code, Google: increases interest in coding among girls and women with resources, networks, and events
Capability building	After-school programming to help girls to develop math and science skills, and build confidence	▪ Girls Inc., United States and Canada: after-school coaching for girls to take risks, overcome obstacles provides education in math and science, pregnancy and drug use avoidance
Advocacy and shaping attitudes	Female role models for schoolgirls (e.g., professionals, teachers) to inspire them to pursue professional and technical jobs	▪ Million Women Mentors, United States: engage one million STEM mentors to encourage girls and women in STEM through corporate partnerships and an online network platform
	Mass and social media-based awareness campaigns to change attitudes about women working in professional and technical jobs	▪ #InspireHerMind, Verizon, global: multiplatform campaign through television, social and digital media with videos to inspire girls' interest in STEM fields
Laws, policies, and regulations	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A24

Potential interventions to address the perceived wage gap for similar work

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Incentives/penalties to businesses that do/do not comply with equal pay policies	▪ City of Albuquerque, United States: requires contractors to disclose pay gaps between men and women for each job category, with impact on their bidding score
Technology and infrastructure	Mobile and digital content to increase transparency on salaries	▪ Glassdoor website, several countries: enables workers to publish their salaries anonymously online to increase transparency
Creation of economic opportunity	Fixed salaries for specific jobs and roles, eliminating negotiations	▪ Elevations Credit Union, Colorado, United States: sets and publishes salaries based on job titles, eliminating salary negotiation during hiring or promotion
Capability building	Training on salary negotiations	▪ Close the Gap app, global: online tool that helps women define their goals, communicate their value, and negotiate their salary
Advocacy and shaping attitudes	Mass and social media-based awareness campaigns to advocate for equal pay for equal work	▪ Levo's #Askformore, global: awareness on the wage gap through social media campaign alongside online platform and career advice
Laws, policies, and regulations	Legislation to protect women at work (e.g., equal pay laws, equal benefits for part-time workers)	▪ Law on reducing gender pay gap, Belgium: requires companies with more than 50 workers to conduct analysis of gender pay gaps and produce action plans to address issues ▪ Part-time worker protection, Netherlands: same hourly wages, employment protection, and social security coverage for part-time and full-time workers
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A25

Potential interventions to address the representation of women in leadership positions

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Subsidized or state-funded child-care provision	▪ Child-care centers, Sweden: government-run child-care centers for children under age 6, available at subsidized costs
Technology and infrastructure	In-office or affordable external child care	▪ IBM, global: $50 million Global Dependent Care fund to develop on- or near-site child-care centers and create priority slots for employees in existing external centers ▪ Mobile Creches, India: child care, including nutrition and learning programs, for children up to age 12 at construction sites and in slum areas
	Mobile and digital content targeted at self-employed women and entrepreneurs	▪ M-Pesa, Vodafone, multiple countries: mobile-phone based microfinance and money transfer
	Telecommuting to enable flexible work locations	▪ Salaam Wanita, eHomemakers, Malaysia: computer skills and entrepreneurship training for low-income and unemployed homemakers to enable them to develop home-based businesses
Creation of economic opportunity	Business and financial training, mentoring support to female entrepreneurs	▪ Goldman Sachs 10,000 Women initiative, global: training, mentoring, and networks for female entrepreneurs ▪ Mibanco Inter-American Development Bank program, Peru: business training and microgrants to female entrepreneurs
	Financial products for women, including entrepreneurs (e.g., non-traditional collateral, microfinance)	▪ Selfina, Tanzania: microleases to women to purchase capital equipment
	Flexible, part-time employment and leave policies with equal benefits and no impact on wage gap	▪ Vodafone, global: minimum of 16 weeks paid maternity leave, followed by six months in flexible arrangement on returning with reduced hours
	Leadership, confidence building, and negotiations training for women	▪ Johnson & Johnson, global: leadership programs for women offered in collaboration with Smith College
	Merit-based targets for women in all roles and in recruiting	▪ Renault-Nissan, France: goals for gender diversity, including publishing annual updates of female advancement
	Programs to smooth transitions before, during, and after maternity and paternity leave	▪ Toronto Hydro, Canada: employees on parental leave receive full salary for a year, regular updates on workplace changes, and training on return
	Signaling and structurally addressing the "anytime-anywhere" work culture	▪ Flexible work arrangements policy, Rio Tinto, Australia: comprehensive policy, including job sharing arrangements, working from home, and flexible shifts during school hours
	Sponsorship, mentoring, and peer-support networks	▪ IBM, global: informal sponsorship program where senior management identifies and provides guidance to high-potential leaders
	Supply-chain and sales partnerships (e.g., women-owned businesses, sellers of women-made products)	▪ Shakti, Unilever, India: distribution channel for more than 70,000 female microentrepreneurs to sell their products in rural India ▪ Walmart Global Women's Economic Empowerment Initiative, global: target to source $20 billion from US women-owned business and provide training to women
	Unbiased performance reviews (e.g., objective criteria)	▪ Inclusiveness Roundtable Champion, Ernst and Young, United States and Canada: representative at annual performance review discussions to ensure objective review criteria are followed
	Women-only banks that cater to female entrepreneurs	▪ Bank of Deyang, China: Financial Service Center for Women to provide services to women entrepreneurs
	Women's advancement integrated into leadership review metrics	▪ Westpac, Australia: Gender diversity part of CEO and senior leadership key performance indicators

SOURCE: McKinsey Global Institute analysis

Exhibit A26

Potential interventions to address the representation of women in leadership positions (continued)

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Advocacy and shaping attitudes	Awareness efforts within the company on gender issues, including targeting men	▪ Sodexo, Women's International Forum for Talent, France: group of company's senior female executives champions awareness initiatives within the company
	Female role models for schoolgirls (e.g., business leaders, teachers)	▪ Girls Who Code, United States: computer science education for girls provided by female engineers and entrepreneurs; aim to reach one million girls by 2020
	Mass and social media-based awareness campaigns	▪ Makers, global: online women's leadership platform that shares inspiring video stories of women; high-profile celebrity involvement and a Public Broadcasting Service series
	Unconscious bias training in companies	▪ Asda, United Kingdom: unconscious bias training for managers and executive board on gender bias and impact on decision making
Laws, policies, and regulations	Company reporting on internal diversity efforts	▪ Australian Stock Exchange Corporate Governance Council gender diversity guidelines, Australia: listed companies provided with recommendations and reporting framework on gender diversity for annual reports
	Legislation to protect women at work (e.g., equal pay, anti-harassment laws)	▪ Anti-sexual harassment law, Kenya: criminalized sexual harassment, including by persons in a position of authority, and created minimum sentences ▪ Part-time worker protection, Netherlands: same employment protection, and social security coverage for part-time and full-time workers
	Legislation to provide maternity/ paternity leave (with benefits)	▪ Parental leave, Sweden: 480 days of parental leave with benefits, of which 60 days are reserved for each parent and not transferable
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Quotas for women on boards	▪ Board quotas, Norway: mandatory for certain companies (e.g., state-owned) to have 40% female board members

SOURCE: McKinsey Global Institute analysis

Exhibit A27

Potential interventions to address unpaid care work

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Subsidized or state-funded child-care provision	▪ Child-care centers, Sweden: government-run child-care centers for children under age 6, available at subsidized costs
Technology and infrastructure	Access to water, sanitation, and clean energy sources for cooking, to reduce time spent in care work	▪ Biogas installation, Nepal: enables women to spend less time collecting firewood
	In-office or affordable external child care	▪ IBM, global: $50 million Global Dependent Care fund to develop on- or near-site child-care centers and create priority slots for employees in existing external centers ▪ Mobile Creches, India: child care, including nutrition and learning programs, for children up to age 12 at construction sites and in slum areas
Advocacy and shaping attitudes	Community-based dialogues on gender roles (e.g., care work)	▪ Rapid Care Analysis exercises, Oxfam, multiple countries: community workshops to discuss distribution of care work and solutions
	Mass and social media-based awareness campaigns on gender roles (e.g., care work)	▪ ActionAid International, Uganda: radio messaging and talk shows to encourage communities to recognize unpaid care work and change social attitudes ▪ Procter & Gamble's #SharetheLoad campaign, India: television campaign to draw attention to the belief that laundry is exclusively a woman's job
Laws, policies, and regulations	Legislation to provide maternity/ paternity leave (with benefits)	▪ Parental leave, Sweden: 480 days of parental leave with benefits, of which 60 days are reserved for each parent and not transferable
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A28

Potential interventions to address unmet need for family planning

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers for contraception (e.g., universal coverage, vouchers)	▪ Kadi output-based aid voucher program, Kenya: subsidized vouchers costing $1 to $2 for family-planning procedures
Technology and infrastructure	Low-cost/easy-to-use contraceptive methods	▪ Population Services International, Pregna International and Stanford University, developing countries: low-cost contraception device for postpartum women ▪ Pfizer, Gates Foundation, 69 countries: low-cost ($1 per dose), long-acting injectable contraceptive that can be delivered by health workers (no need to travel to clinics)
	Mobile and digital content for contraceptive information	▪ Mobile for Reproductive Health, FHI 360, Kenya and Tanzania: text-message platform with information about contraception and clinic locations ▪ CycleTel, India: SMS-based helpline to support users to follow the Standard Days method of family planning and provide reproductive health information
	Specialized hospitals and mobile clinics	▪ UNFPA and UN Trust Fund-supported facilities, Tajikistan: specialized reproductive health centers providing free contraceptives and family planning information
	Well-equipped supply chains for contraceptive products	▪ Deliver Project, USAID, and Ministry of Health, Nicaragua: improved supply-chain management practices to reduce stock-outs of contraceptives
Capability building	Comprehensive sex education in schools	▪ Sex education, UNFPA, and public sector, Côte d'Ivoire: comprehensive sexuality education in school to reduce teen pregnancy rates
	Contraceptive information at health-care facilities (e.g., as part of health checkups)	▪ USAID, Georgia: family planning services introduced into primary care at rural ambulatory clinics
	Training local men and women to provide services (community-based care provision)	▪ Blue Ventures, Madagascar: local women trained to counsel and prescribe contraceptives in remote areas, leading to wider access to family planning and to sources of income for the counselors
Advocacy and shaping attitudes	Community-based dialogues (e.g., with men, community leaders)	▪ Schools for Husbands, Niger: programs for men to discuss health issues, change attitudes on maternal health and family planning
	Mass and social media-based awareness campaigns	▪ Nigerian Urban Reproductive Health Initiative, Nigeria: TV and radio shows to create awareness of family planning ▪ Animas-Sutura, Niger: marketing initiative for branded condoms, including television and radio advertising, and celebrity endorsements to encourage condom use
Laws, policies, and regulations	Comprehensive national plans (e.g., defining reproductive rights and services)	▪ National Action Plan for Family Planning (NAPFP), Mali: plan to increase contraceptive prevalence and address demand and supply-side constraints to family planning
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A29

Potential interventions to address maternal mortality

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers for health care (e.g., universal coverage, vouchers)	▪ Healthy Baby voucher program, Uganda: $1.20 voucher for safe delivery, prenatal and postnatal care visits, including nutrition, immunization advice, and family planning counseling
Technology and infrastructure	Access to safe and affordable transportation (e.g., for high-risk pregnancies, in rural areas)	▪ Ziqitza Health Care, India: emergency ambulances for pregnant women that can be summoned by telephone
	Mobile and digital content for maternal health information	▪ The Mobile Alliance for Maternal Action, 50+ countries: health information via mobile phones to expectant and new mothers ▪ Ooredoo, Myanmar: free mobile app with maternal health information and location of nearest doctors
	Specialized hospitals, waiting houses, and mobile clinics	▪ Ekwendeni Hospital, Malawi: free prenatal shelter close to the hospital for at-risk pregnant women
Capability building	Capability building in institutions (e.g., for medical staff, health workers, midwives)	▪ Community Working Group on Health, Zimbabwe: training of village health workers on pregnancy complications
	Training local men and women to provide services (community-based care provision)	▪ Health Extension Program, Ethiopia: community health workers (usually young women) trained and work to transfer health knowledge to pregnant women and link them to formal health systems
Advocacy and shaping attitudes	Community-based dialogues (e.g., with community leaders, men, parents)	▪ Project Hope, CARE, Mali: involving husbands and extended family members to promote safe deliveries (e.g., couple support groups for prenatal care, dialogues to encourage support of pregnant women, etc.)
Laws, policies and regulations	Comprehensive national plans for maternal health (e.g., protocols in medical facilities)	▪ National Safe Motherhood Master Plan, Vietnam: developed and implemented phased strategy to reduce maternal mortality (e.g., increasing investment, building capacity, etc.)
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Referral system for women with obstetric complications	▪ Referral system, Mali: government implemented a referral system, improving communications, transportation, training to handle emergencies

SOURCE: McKinsey Global Institute analysis

Exhibit A30

Potential interventions to address female education levels

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers (e.g., cash transfers, scholarships) to incentivize education, including professional, technical, and STEM skills	▪ Zomba Cash Transfer Program, Malawi: provision of school fees and cash transfers for education, potentially lowering probability of child marriage ▪ Schlumberger Foundation Faculty for the Future, developing countries: fellowship for women from developing countries pursuing PhDs in STEM fields
Technology and infrastructure	Adequate school capacity, with sanitation facilities for girls	▪ Education Enhancement Project, Egypt: built schools in areas with low rates of girls' enrollment ▪ Water for All, multiple countries: grants for access to water, sanitation, and hygiene facilities in schools to increase enrollment ▪ Girls' sanitation facilities, Tata Consultancy Services, India: funding to build dedicated sanitation facilities for girls in 1,000+ schools, including partnerships to spread awareness in schools on the importance of sanitation and hygiene
	Mobile and digital content for education	▪ Vodafone Literacy app, Egypt: tool to help women learn to read through their phones
	Safe access to schools (e.g., affordable, safe transport, onsite housing)	▪ Rajasthan, India: Construction of hostels for girls in rural areas to access schools
Creation of economic opportunity	Job placement and internship programs for women, resulting in increased focus on skill building and education	▪ Garment industry, Bangladesh: expansion of jobs for women helped increase school enrolment
	Vocational training and skill building	▪ Skills training and certification program, H&M, Bangladesh: training for workers in the garment industry, who are typically women ▪ Adolescent Girls Initiative, World Bank, multiple countries: promoting employment by providing skills, and technical and vocational training
Capability building	After-school coaching programs (e.g., math and science, skills training) and support/peer groups for girls	▪ Girls Inc., United States and Canada: after-school coaching for girls to take risks, also provides education in math and science
	Capability building in institutions (e.g., for teachers, school administrators)	▪ Gender-Responsive Pedagogy, Forum for African Women Educationalists, Africa: training for teachers on gender-responsive teaching strategies
	Life skills training, including vocational training	▪ Ishraq program, Egypt: training for girls not attending school (e.g., dropouts), resulting in higher literacy and basic skills and desire to delay marriage ▪ Project Have Hope, Uganda: variety of vocational training and adult literacy programs for women
	Training community members to act as teachers	▪ Local teachers, Bangladesh Rural Action Committee, Bangladesh: recruiting and training local women as teachers
Advocacy and shaping attitudes	Community-based dialogues on importance of girls' education (e.g., for parents, community leaders)	▪ Room to Read, United States: engagement with families on the importance of girls' education, along with literacy programs, infrastructure investments, and more
	Female role models for schoolgirls (e.g., business leaders, teachers)	▪ Girls Who Code, United States: computer science education for girls provided by female engineers and entrepreneurs; aim to reach one million girls by 2020
	Mass and social media-based awareness campaigns	▪ "Girl Rising," multiple countries: documentary film on the importance of educating girls
	Support and peer groups for girls	▪ Abriendo Oportunidades, Guatemala: girls' clubs with community mentors and skills training for indigenous girls at risk for dropping out of school by 2020

SOURCE: McKinsey Global Institute analysis

Exhibit A31

Potential interventions to address female education levels (continued)

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Laws, policies, and regulations	Comprehensive national education plans that address gender-specific barriers	▪ National Policy on Girls' Education, Liberia: ensures girls equal access to schools at all levels, including provision of scholarships and creating a gender-sensitive environment
	Laws mandating minimum educational attainment for all	▪ Compulsory education law, China: requires 9 years of free compulsory education in all areas
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A32

Potential interventions to address financial inclusion for women

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Cash transfers to increase financial inclusion	▪ Bolsa Familia, Brazil: largest social welfare conditional cash transfer program in the world, provided to female heads of households
	Subsidies on financial products (e.g., zero fees, no opening balance requirements)	▪ Safe and Smart Savings Products for Vulnerable Adolescent Girls, Kenya and Uganda: access to savings account at local banks for girls with no opening balance requirements and no transaction fees
Technology and infrastructure	Mobile and digital content for financial inclusion	▪ M-Pesa, Vodafone, multiple countries: mobile-phone based microfinance and money transfer ▪ Jipange KuSave by Mobile Ventures, Kenya: combined loan and savings products via mobile
Creation of economic opportunity	Business and financial training, mentoring support to female entrepreneurs	▪ Garanti Bank, Turkey: networking events for women entrepreneurs to discuss topics like e-commerce and marketing
	Financial products for women, including entrepreneurs (e.g., non-traditional collateral, microfinance)	▪ Goldman Sachs and IFC, multiple countries: raising $600 million in capital to enable access for women entrepreneurs ▪ Selfina, Tanzania: microleases to women to purchase capital equipment
	Women-only banks, which cater to female entrepreneurs	▪ Bank of Deyang, China: Financial Service Center for Women to provide services to women entrepreneurs
Capability building	Financial literacy programs targeting women and girls	▪ Citigroup, Japan: program for middle-aged and elderly women on budgeting, saving money, and selecting loan and insurance products ▪ Project Financial Literacy, Reserve Bank of India: financial training aimed at women, students
Laws, policies, and regulations	Company disclosures on targeting women customers as part of financial reporting	▪ Central Bank, Zambia: prioritized gender-disaggregated data collection to assess financial inclusion; provides tools to financial institutions to help audit how they target female client needs
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A33

Potential interventions to address digital inclusion for women

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Reduction in taxes on mobile and Internet access	▪ Abolition of 15% luxury tax on mobile use, Ecuador: increased mobile penetration from 70% to 110%
	Subsidized Internet access	▪ Subsidized Internet access, Colombia: public expenditure to subsidize Internet access for poor families ▪ Internet4All, TTNET, Turkey: 40% discount to first-time subscribers, to target low-income consumers
Technology and infrastructure	Mobile and digital content for health, education, and financial services (e.g., mobile literacy apps, banking apps) to increase utility of digital inclusion	▪ CycleTel, India: SMS-based helpline to support users to follow the Standard Days method of family planning and provide reproductive health information ▪ M-Pesa, Vodafone, multiple countries: mobile phone-based microfinance and money transfer
	Mobile plans and Internet packages for women (e.g., low-cost options)	▪ Aali for Mother campaign, Roshan, Afghanistan: marketing messaging, subscription plan targeted at women consumers
	New Internet access options (e.g., mobile Internet, local language interface)	▪ Women of Uganda Network, Uganda: text messages to provide agricultural extension services to women in the local language
	Sales and store infrastructure catering to women, including female-only public Internet access	▪ Project Sampark by Uninor, India: network of women retailers marketing mobile phones to rural women ▪ MTN, Afghanistan: set up retail stores by women, for women
Capability building	Digital literacy programs targeting women and girls	▪ Intel's "She will connect," developing countries: digital literacy through training programs, an online gaming platform to deliver content and an online peer network
Laws, policies, and regulations	Comprehensive national plans for increasing mobile and broadband penetration addressing gender-specific barriers	▪ National Broadband Plan, Nigeria: national strategy that includes incentives for such services as digital literacy training for women, safe technology access centers for women, teaching girls safe use of Internet
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A34

Potential interventions to address legal protection for women

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Incentives/penalties to businesses that do/do not comply with gender-related laws	▪ City of Albuquerque contractor requirements, United States: requires contractors to disclose pay gaps between men and women for each job category, with impact on their bidding score
Technology and infrastructure	Mobile and digital content for NGOs to track progress on gender equality laws	▪ Women, Peace and Security app by PeaceWomen, global: provides updates on international efforts to integrate gender into laws and policies
	Mobile and digital content to educate women on their legal rights	▪ Women's Rights App, Zamrize and Asikana Network, Zambia: information on women's rights, related legislation, and steps to take if rights have been violated
Capability building	Awareness building in communities on need for new laws and enforcing existing laws	▪ Promotoras Legais Populares, legal literacy program, Brazil: training for community-based paralegals on women's human rights and in turn educating women on their legal rights
	Capability building in institutions (e.g., law enforcement, media) on new laws, enforcement policies, etc.	▪ Chicago police department, United States: intensive training on identification, psychological dynamics of violence, and coordinated protocols across agencies ▪ Association for the Development and Enhancement of Women, Egypt: worked with media to increase reporting on legal discrimination
Advocacy and shaping attitudes	Advocacy efforts for implementation, enforcement of robust laws	▪ Cambodian Women's Crisis Center, Cambodia: advocacy through media campaigns and with policy makers
	Mass and social media-based awareness campaigns to change attitudes on gender equality before, during, and after policy change	▪ Soul City and the National Network on Violence against Women, South Africa: television show, radio and print media campaign, and celebrity interviews to lobby for domestic violence legislation
Laws, policies, and regulations	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Periodic review and revision of gender equality legislation	▪ Family law review, Burundi, Fiji, Vietnam, Uzbekistan, and other countries: comprehensive review of family law after ratifying UN treaty to eliminate discrimination against women
	Specialized resources for gender-related cases (e.g., fast track courts)	▪ Special Courts for Domestic and Family Violence Against Women, Maria de Penha law, Brazil: law established special courts with jurisdiction over all domestic violence cases

SOURCE: McKinsey Global Institute analysis

Exhibit A35

Potential interventions to address female political representation

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Special funds and incentives (or removal of disincentives) to help women seeking political office	▪ Financial assistance, Canada: financial assistance program for women candidates (e.g., for travel and child-care expenses) ▪ Public funding, Burkina Faso: 50% increase in public funding to political parties if 30% of candidates elected are female ▪ Emily's List, United States: fundraising for female candidates
Capability building	Networking, mentorship, and political capacity building for women	▪ Women for Election, Ireland: trains and supports women interested in running for political office ▪ Training for women, Costa Rica: legal requirement for political parties to allocate portion of public financing to training for women ▪ Women2Win, Conservative Party, United Kingdom: network of male and female party members engaged in recruiting and training new women candidates
Advocacy and shaping attitudes	Mass and social media-based awareness campaigns on the need for women in politics, including raising visibility of female candidates	▪ Women in parliaments' participation in #makeithappen, global: sharing of testimonials from female parliamentarians using Internet and social media
Laws, policies, and regulations	Mainstreaming of gender perspective in policy frameworks and laws (e.g., through gender equality groups, women caucuses, etc.)	▪ Research Center for Women's Advancement and Gender Equality, Mexico: supports the legislature with analysis and technical information (e.g., for gender mainstreaming in budgets) ▪ Checklist for gender mainstreaming, Cambodia: established five-point checklist for parliamentarians to ensure legislation is gender-sensitive
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Quotas (voluntary or legislated) for number of women as candidates or in political office	▪ Voluntary quotas, Norway: political parties adopted voluntary quotas for female candidates ▪ Reserved seats, Rwanda: 24 out of 80 seats in the lower house of parliament reserved for women
	Transparent rules in political parties on candidate selection and promotion	▪ Venice Commission Guidelines on political party regulation, Europe: encourages transparent criteria for selection of female or minority candidates

SOURCE: McKinsey Global Institute analysis

Exhibit A36

Potential interventions to address sex ratio at birth

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers (e.g., cash transfers) to incentivize having daughters	▪ Delhi Ladli Scheme, India: government-funded investment in girls; paid at age 18 contingent on completion of specified schooling level
Advocacy and shaping attitudes	Community-based dialogues to change attitudes about having daughters	▪ Care for Girls, China: financial incentives and vocational training combined with lectures to community members (e.g., grandparents, mothers-in-law) to change attitudes
	Mass and social media-based awareness campaigns to change attitudes on sex selection	▪ Beti Bachao Beti Padhao, India: sustained campaign in 100 districts on sex ratio at birth and female education, including radio campaigns, text message-based awareness ▪ "Atmajaa" and "Astitva," India: TV drama series to raise awareness on sex selection, women's reproductive rights, and legislation
Laws, policies, and regulations	Ban on prenatal sex disclosure	▪ Ban on sex selection, South Korea: national law supported by threat of medical license termination and fines
	Legislation to reduce bias against girls, improve status (e.g., anti-dowry laws)	▪ Dowry Prohibition Act, India: legislation to reduce bias against daughters driven by high cost of dowries
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A37

Potential interventions to address child marriage

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Financial incentives and support	Financial transfers (e.g., cash transfers) to keep girls in school and delay marriage	▪ Naning'oi Girls Boarding School, Kenya: substitutes "booking" girls for marriage to booking for schooling by offering to pay dowry to parents to send girls to school
Technology and infrastructure	Safe houses and spaces	▪ Masanga Center, Tanzania: safe shelter for women who run away from child marriages or from their husbands; also offers protection from genital mutilation
Creation of economic opportunity	Job placement and internship programs for women	▪ Garment industry, Bangladesh: expansion of jobs for women helped deter child marriage
Capability building	School education, life skills training, including vocational training, for girls and women	▪ Ishraq program, Egypt: training for girls not attending school (e.g., dropouts), resulting in higher literacy and basic skills and desire to delay marriage
Advocacy and shaping attitudes	Advocacy efforts with policy makers to implement and enforce robust laws	▪ International Action on Poverty and Early Marriage, Yemen: awareness among parliamentarians of early marriage risks, including through media advocacy and workshops
	Community-based dialogues on importance of girls' education and risks of child marriage	▪ Berhane Hewan, Ethiopia: group talks with girls, families, and community members, leading to lower rates of child marriage and higher school enrollment
	Mass and social media-based awareness campaigns to change attitudes on child marriage	▪ Too Young to Wed, global: photo exhibits and videos of stories of young brides to raise awareness
Laws, policies and regulations	Legislation against child marriage	▪ National Youth Council, Malawi: data-driven advocacy campaign, resulting in the minimum marriage age being raised from 15 years to 18
	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women

SOURCE: McKinsey Global Institute analysis

Exhibit A38

Potential interventions to address violence against women

Primarily public sector and NGOs Private sector alone or with public sector/NGOs

	Interventions	Examples
Technology and infrastructure	Access to safe and affordable transportation (e.g., to schools, places of work)	▪ NASSCOM, IT firms, India: safe, escorted transportation in vehicles with GPS and systems to confirm women are safe traveling to and from work
	Mobile, digital, and technology-enabled content to create alerting/ support devices for female victims of violence	▪ Vodafones TecSoS device, Europe: handset to alert emergency services with one keystroke with location details and automatic recording ▪ Electronic kiosks, Brazil: kiosks in stations for suburban rail lines primarily serving poor communities, disseminating information on support for violence survivors ▪ Vodafone's mWomen, Fiji: information on legal rights, counseling services via text message
	Shelters, safe houses, and health services with skill building, legal help, and therapy	▪ Health-sector support program, Nepal: hospital-based, one-stop crisis centers for medical, psychological, legal support
Creation of economic opportunity	Corporate policies on sexual harassment at work	▪ Sexual harassment policy, HCL, India: policies to ensure safety at work, including "whistle-blower" policy to encourage reporting, and committees to review complaints
	Financial products to support survivors (e.g., microfinance, loans)	▪ Intervention with Microfinance for AIDS and Gender Equity, South Africa: microfinance loans combined with leadership and gender awareness training, leading to lower rates of intimate-partner violence
	Job placement programs for survivors of violence	▪ Musarat Misbah, Pakistan: jobs in beauty salons for female acid-attack survivors to minimize social exclusion
Capability building	Capability building in institutions dealing with violence against women (e.g., police, health-care providers)	▪ Kaiser Permanente, United States: training for health-care professionals to identify and support survivors ▪ Chicago police department, United States: intensive training on identification, psychological dynamics of violence, and coordinated protocols across agencies
	Life skills (e.g., confidence building), financial literacy training for violence survivors	▪ Allstate Foundation, United States: financial and career empowerment training for survivors of violence
Advocacy and shaping attitudes	Advocacy efforts with policy makers to implement and enforce robust laws	▪ Sexual harassment laws, Alliance against Sexual Harassment, Pakistan: NGO that advocated for legislative reform on sexual harassment, with support of private-sector stakeholders
	Community-based dialogues (e.g., with community leaders, men, youth)	▪ SASA!, Raising Voices, Uganda: tool kit to conduct phased sensitization and awareness building effort, leading to lower acceptance and incidence of intimate-partner violence ▪ Choices, Save the Children, Egypt: workshops with adolescents about attitudes toward gender, changing views of several forms of violence
	Mass and social media-based awareness campaigns	▪ Bell Bajao, India: public service announcements, celebrity involvement, and community outreach (e.g., through video vans) to increased awareness of violence prevalence and legal provisions
Laws, policies, and regulations	Mandating/sponsorship of gender-disaggregated data collection and impact evaluation	▪ Sustainable Development Goals: targets and tracking of goals pertaining to gender equality and empowerment of women
	Specialized resources for violence-related cases (e.g., fast track courts, female police)	▪ Special Courts for Domestic and Family Violence Against Women, Maria de Penha law, Brazil: law established special courts with jurisdiction over all domestic violence cases
	Strong violence against women laws and enforcement, including for region-specific forms of violence (e.g., acid attacks)	▪ Criminal Law (Amendment) Act, 2013, India: broader coverage of various types of sexual assault and rape, and increased sentences

SOURCE: McKinsey Global Institute analysis

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